

**HEALTH SERVICES AND DEVELOPMENT AGENCY MEETING
MARCH 23, 2016
APPLICATION SUMMARY**

NAME OF PROJECT: Alere Women's and Children's Health, LLC

PROJECT NUMBER: CN1512-056

ADDRESS: 3175 Lenox Park Boulevard, Suite 400
Memphis, (Shelby County), Tennessee 38115

LEGAL OWNER: Alere Women's and Children's Health, LLC
3175 Lenox Park Boulevard, Suite 400
Memphis, Tennessee 38115

OPERATING ENTITY: Not Applicable

CONTACT PERSON: John Wellborn
615-665-2022

DATE FILED: December 7, 2015

PROJECT COST: \$79,000

FINANCING: Cash Reserves

PURPOSE FOR FILING: Addition of 16 counties to an existing 7 county service area of a licensed home care organization limited to high risk obstetrical patients.

DESCRIPTION:

Alere Women's and Children's Health (Alere) is requesting Certificate of Need approval to expand its service area from 7 to 23 counties through the addition of 16 counties, including Benton, Carroll, Chester, Crockett, Decatur, Dyer, Gibson, Hardin, Henderson, Henry, Lake, McNairy, Obion, Perry, Wayne, and Weakley Counties. The proposed service area is identified in the map of Tennessee on page 44 and in Table 6 on page 46 of the application. If approved, the applicant will provide coverage in all 23 counties of the West Tennessee Grand Division of the state.

Alere originally received approval for the establishment of a home care organization home agency in Matria Healthcare, Inc., CN9807-044A, at the

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October 28, 1998 meeting of the former Health Facilities Commission for the establishment of a home care organization resulting in licensure by the Tennessee Department of Health on December 21, 1998 for a 7 county service area located in the southwest portion of the West Tennessee Grand Division. The project involved the expansion from a home medical equipment provider to a home health agency (HHA) for high-risk obstetrical and diabetes patients in conjunction with home uterine monitoring devices and other home medical equipment services. Alere has operated the home health agency (HHA) in Memphis for approximately 17 years and is 1 of 3 Alere Women's Health licensed HHAs in Tennessee. Alere's parent company provides specialized home health care to high risk females and newborns nationwide with locations in approximately 20 states. Per the applicant's response to Item 3 in the December 16, 2015 supplemental response, the applicant continues to provide in-home skilled nursing services for high risk obstetrical patients that are consistent with the scope of services originally approved in CN9807-044A.

Note to Agency Members: The applicant states it is able to provide post-partum newborn assessments should the need arise; however since the original application was limited to high risk obstetric patients, the same limitation applies to this application as well.

SERVICE SPECIFIC CRITERIA AND STANDARD REVIEW

HOME HEALTH SERVICES

1. The need for home health agencies/services shall be determined on a county by county basis.
2. In a given county, 1.5 percent of the total population will be considered as the need estimate for home health services in that county.
The 1.5 percent formula will be applied as a general guideline, as a means of comparison within the proposed service area.
3. Using recognized population sources, projections for four years into the future will be used.
4. The use rate of existing home health agencies in the county will be determined by examining the latest utilization rate as calculated in the Joint Annual Report of existing home health agencies in the service area.

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Based on the number of patients served by home health agencies in the service area, estimation will be made as to how many patients could be served in the future.

The applicant states that the specialized nature of its existing licensed home health organization's provision of in-home services to high risk females of childbearing age approved in CN9807-044A is not comparable to the need formula used to predict the need by county for entire county populations of all ages. Further, the lack of comparable data for home health services provided to high-risk obstetrical patient target population by the 33 existing agencies licensed to serve one or more of the applicant's 16 proposed additional service area counties limits the applicant's ability to provide an estimate of need for in-home services to these types of patients.

Per Steps 1-4 above, the Tennessee Department of Health (TDH) estimate of need in the proposed 16 county service area is illustrated in the table on page 37-R of the application. Using a population use-rate formula based on 2014 service volumes of existing providers and 2019 population estimates, the data indicates that existing providers have the capacity to provide home health services to approximately 17,103 patients of all ages in the proposed 16 county service area in 2019, however, only 6,055 patients are expected to need home health services during the period. As a result, the TDH need formula projects a difference or surplus of 11,047 patients in 2019.

It appears that this application does not meet the criterion.

5. Documentation from referral sources:

- a. The applicant shall provide letters of intent from physicians and other referral sources pertaining to patient referral.

The applicant provided support letters from physician and managed care health insurance referral sources that attest to their support for the applicant's proposed 16 county additional service area. The letters are attached to the original application.

It appears that this criterion has been met.

- b. The applicant shall provide information indicating the types of cases physicians would refer to the proposed home health agency and the projected number of cases by service category to be provided in the initial year of operation.

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The table on page 38 of the application provides an estimate of patients by service category in Year 1 of the project. Approximately 42 of 59 total patients (72%) are expected to receive preterm education, nursing surveillance and 17P/Makena medication administration to reduce the incidence of preterm birth. Support letters from the physicians noted above attest to the nature and scope of services needed by patients under their care. Additional information pertaining to Alere's scope of services, care delivery model and related illustrations is provided on pages 10, 11 and 21-27 of the application.

It appears this criterion has been met.

- c. The applicant shall provide letters from potential patients or providers in the proposed service area that state they have attempted to find appropriate home health services but have not been able to secure such services.

The applicant provided letters from providers that attests to the need for Alere's specialized nursing services for high risk obstetrical patients.

It appears that this criterion has been met.

- d. The applicant shall provide information concerning whether a proposed agency would provide services different from those services offered by existing agencies.

The applicant received approved in CN9807-044A for the establishment of a home care organization serving 7 counties and was licensed by the Department of Health effective December 21, 1998. The agency has been serving high risk obstetrical patients in its existing licensed service area for the past 17 years. The applicant only provides in-home skilled nursing services for high-risk obstetrical patients of childbearing age. The same service will be provided to residents of the proposed 16 county additional service area under Alere's existing license.

The applicant researched data reported in the provider Joint Annual Report and conducted a provider survey during preparation of the CON application survey to identify if female patients in the 18-64 age cohort residing in the proposed 16 additional counties were high risk obstetrical patients. Of 33 existing home health agencies, only 7 reported serving one or more females or had more than a 15% dependency on the age 18-64

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female population. The applicant's telephonic survey of the 7 agencies revealed that none provide in-home services to high risk obstetrical patients. A profile of the 7 agencies screened by Alere is provided on page 20 in the original application.

It appears this criterion has been met.

6. The proposed charges shall be reasonable in comparison with those of other similar facilities in the service area or in adjoining service areas.

- a. The average cost per visit by service category shall be listed.

Alere's average gross charge calculated from the Projected Data Chart amounts to approximately \$6,843/patient in Year 1, an 11.7% decrease from \$7,746/patient in 2014. The rates of other selected HHAs in the service area are shown in Table 5A on page 40-R of the application. The applicant states that it is reimbursed on a bundled negotiated rate basis by TennCare and private payors on the basis of in-home nursing services for high risk obstetrical patients that are unlike other traditional HHAs that operate in the service area. As such, the applicant alleges that it cannot provide separate costs and charges on a per visit or per hour basis that could be used to compare to the average costs per visit/hour of existing home health agencies in the applicant's proposed 16 county additional service area.

It appears this criterion may not apply to the applicant.

- b. The average cost per patient based upon the projected number of visits per patient shall be listed.

As noted above, the applicant states it is reimbursed by TennCare and private managed care organizations on a negotiated, bundled per patient rate basis. For the proposed 16 county additional service area, the applicant projects \$403,754 in gross revenues on 59 high risk female patients in Year One (\$6,843/patient), and \$656,955 on 96 patients in Year 2 (\$6,843/patient). As shown on page 40-R of the application, the average gross charge of other selected agencies during the 2014 JAR reporting period ranged from approximately \$2,262/patient to \$5,274/patient (group average gross charge of approximately \$3,163.14/patient).

It appears this criterion has been met.

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Staff Summary

Note to Agency members: This staff summary is a synopsis of the original application and supplemental responses submitted by the applicant. Any HSDA Staff comments will be presented as a "Note to Agency members" in bold italics.

Summary

Alere Women's and Children's Health (Alere), an existing, unique provider of specialty home care services for high risk females of childbearing age, is seeking Certificate of Need approval to expand its licensed service area approved in CN9807-044A from 7 to 23 counties in Tennessee. The applicant proposes to provide in-home nursing services by licensed obstetrical registered nurses (RN) to high risk females of childbearing age that reside in the proposed 16 county additional service area under physician ordered plans of care. Alere's home office will coordinate operations for the 16 county additional service area through its existing office in Memphis. Alere had no deficiencies during its last annual TDH licensure survey on October 15, 2014.

The applicant is 1 of 3 licensed Alere home health agencies in Tennessee with offices in Nashville, Chattanooga and Memphis and is supported by regional clinical centers staffed by RNs and pharmacists that electronically monitor health care status of Alere's patients and participate in their care. The applicant's parent company holds Joint Commission accreditation for all of its home care organizations in 20 states across the country.

High risk obstetrical home health patients that will be served by the applicant in the 16 county additional service area are expected to be predominately TennCare managed care organization (MCO) recipients at a rate that is consistent with the applicant's current 40% TennCare MCO payor mix. Other forms of coverage include contracts with commercial plans, including Aetna, Cigna, Humana and United Health Care, private and self-pay sources. Medically indigent patients will continue to be served, as necessary.

The obstetrical RN in-home skilled nursing service activities required in connection with the care of high risk OB patients are described in detail in the application, including overviews of Alere's scope of services and care delivery model (pages 10-11), roles of key clinical staff and leadership (pages 13-15R), and benefits by type of service (pages 22-27). The projected number of patients by key clinical category in Year 1 shown in the table on page 38 include the following: preterm labor education with nursing surveillance and 17P drug administration (42 of 59 patients); nausea and vomiting in pregnancy (7 of 59); diabetes in pregnancy (6 of 59); managing hypertension disorders in pregnancy (3 of 59);

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and, coagulation disorders (1 of 59). *Note: review of the clinical services description in the application revealed that 17P Administration Service (17P or Makena) is a skilled nursing drug administration treatment prescribed under physician orders. The drug is administered by the obstetrical RN weekly from 16 weeks to approximately 37 weeks gestation to reduce incidence of recurrent preterm birth.*

Ownership

Alere Women's and Children's Health, LLC has been registered in Tennessee since August 2005.

- The applicant's parent company is Alere Health, LLC whose parent is OptumHealth Care Solutions, Inc. These entities are ultimately owned through other subsidiaries by United Health Group, a publically traded company.
- Alere Health, LLC was formed as a Delaware Corporation effective August 24, 2005. The parent company was formed as a result of a merger between Matria Healthcare and Artemis LLC.
- The applicant LLC has no individuals with membership interests.
- For more information about the ownership of the applicant LLC, please see the applicant's responses on page 2 of Supplemental 1 and the company profile information included in United Health Group's 10K report filed with the United States Security and Exchange Commission (SEC) for the period ending December 31, 2014. The SEC report was submitted as an attachment to the application.

Facility Information

- The parent office in Memphis will not change as a result of the project to add 16 counties to the current licensed 7 county service area.
- Obstetrical RN staff who deliver the home care services will operate from their homes in counties within or contiguous to the proposed additional 16 service area counties.
- There is no construction, renovation or modification required to implement the proposed project.

Project Need

- Meet demand for in-home skilled nursing services for high risk obstetrical (OB) patients referred by their physicians as being high risk for preterm delivery.
- Specialized in-home OB nursing services provide potential to reduce preterm deliveries, expensive hospital admissions and infant mortality rates.

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- Need for access to in-home skilled nursing care by low income high risk obstetrical patients regardless of their ability to pay. *Note: The applicant provided a comparison to other agencies and a detailed analysis of their potential caseloads (females of childbearing age) on pages 49a-49k of the application.*
- Need to expand service area geographic footprints of Alere HHAs in Tennessee for greater ease of contracting with TennCare MCOs statewide for in-home nursing care of high risk obstetrical patients enrolled in TennCare.

Note to Agency members: Per the Tennessee Department of Health (TDH) estimate of need for the proposed additional 16 county primary service area (PSA), existing providers will have the capacity to serve 17,103 patients in 2019. Of these, 6,055 residents of the PSA or approximately 35.4% may need home health care during the period, a difference or surplus of 11,047 patients in 2019. Please note that this need is calculated for all home health patients of ages and sex, not just high risk obstetrical patients needing in-home obstetrical RN services.

Service Area Demographics

- If approved, the applicant's proposed 16 county additional primary service area (PSA) combined with its existing 7 county PSA will comprise all of the 23 counties included in the West Tennessee Grand Division.
- The total population is estimated at 396,511 residents in calendar year (CY) 2015 increasing by approximately 1.0% to 400,415 residents in CY2019.
- The overall statewide population is projected to grow by 3.7% from CY2015 to CY2019.
- The female age 15-44 population comprises approximately 18.2% of the proposed 16 county total population compared to 19.7% statewide.
- The female age 15-44 population is expected to increase by 1.3% from 72,181 residents in CY2015 to 73,096 female residents in CY2019 compared to 2.4% statewide.
- As of April 2015, approximately 25.3% of the proposed PSA total population was enrolled in TennCare compared to 21% statewide.

Service Area Historical Utilization

Using licensure and provider utilization data from the provider Joint Annual Report (JAR) maintained by the Tennessee Department of Health, the applicant identified approximately 33 existing licensed home health agencies in the proposed 16 county PSA.

- The name of the agencies, location of parent offices, licensed counties and 3-year utilization trend for patients of all ages, including the applicant's estimate of utilization by females of childbearing age, is provided in detail on pages 49(a)-49(k) of the application.
- As a whole, the 33 agencies served approximately 36,585 patients of all ages statewide in 2012 increasing by 8.7% to 39,775 patients in 2014.
- In 2014, approximately 16,097 patients or 40.5% of the 39,775 total patients served in Tennessee by the 33 agencies resided in the proposed 16 county PSA. A summary of their utilization, including services provided to the applicant's high risk female target population, is shown in the table below.

Home Health Patients Served by Existing Agencies in Proposed 16 County PSA

Year	Total TN Patients All ages (M/F)	PSA Patients All ages (M/F)	PSA Patients 18-64 (M/F)	PSA Patients 18-64 (Female only)*
2014	39,775	16,097	3,865	1,933

**Note: utilization data for female patients in the 15-44 age cohort (Alere's target population) is not captured in the JAR. The applicant estimates approximately 50% of the 18-64 male/female age cohort are females.*

Applicant's Historical and Projected Utilization

The applicant served 376 patients from its existing 7 county primary service area (PSA) in 2014. Alere expects to serve 393 patients from its existing PSA plus 59 patients from the proposed 16 additional counties for a total of 452 patients in Year 1, increasing to 489 total patients in Year 2. *Note to Agency Members: In developing projected utilization, the applicant calculated a 0.132% use rate for the age 15-44 female population of its existing 7 county PSA and applied the rate to the proposed 16 county additional service area.*

The historical and projected utilization of the applicant's home health agency (HHA) is shown in the table below.

Alere's Historical and Projected Utilization

	Patients 2012	Patients 2013	Patients 2014	% Change '12-'14	2016 Year1	2017 Year2
Existing 7 county PSA	401	417	376	-6.2%	393	393
16 county additional PSA					59	96
Combined Total	401	417	376	-6.2%	452	489

Source: provider JAR; CN1512-056

The table above reflects the following:

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- Utilization declined by approximately 6.2% from 401 patients in 2012 to 376 patients in 2014.
- High risk obstetrical patients of the proposed 16 county additional service area are expected to account for approximately 22.1% of the applicant's total caseloads in Year 1 decreasing to approximately 19.6% of total caseloads in Year 2.
- Projected utilization of the 16 county additional service area was determined by using the applicant's existing female age 15-44 population use rate as discussed on page 50. The calculation of projected caseloads is illustrated in Table 12B located on page 51d of the application.

Project Cost

The total estimated project cost is \$79,000. Major costs include the following:

- Legal/administration/consulting fees - \$60,000 or 76% of total cost.
- Moveable Equipment - \$16,000 or 20.3% of total cost.
- The actual capital outlay is expected to be the same as the \$79,000 total estimated project cost.

Historical Data Chart

The Historical Data Chart on page 56 of the application illustrates Alere's financial performance for the three most recent fiscal year periods. Review of the chart revealed that net operating income decreased from \$714,409 in 2012 to \$480,727 in 2014. Despite the significant decrease in operating revenue, net operating income (NOI) was favorable at approximately 15.3% of gross operating revenue in 2014.

Projected Data Chart

Alere provided a Projected Data Chart for the proposed 16 county additional service area and a chart for the combined 23 county service area after project completion. Highlights are shown in the table below.

Applicant's Historical and Projected Financial Performance, 2014-2016

Projected Financial Performance	2014 * (7 counties)	Proposed Counties Year 1 (16 Counties)	Combined Year 1 (23 Counties)
TN Patients	406	59	452
Gross Revenue (per patient)	\$3,145,045 (\$7,746/patient)	\$403,754 (\$6,843/patient)	\$3,093,163 (\$6,843/patient)
Provision for Charity	\$31,450	\$4,038	\$30,932
Net Revenue	\$1,075,111	\$130,283	\$998,108
Operating Costs (per patient)	\$594,384 (\$1,464/patient)	\$80,753 (\$1,367/patient)	\$505,742 (\$1,119/patient)
Net Operating Income (% of gross revenue)	\$480,727 (15.3%)	\$49,530 (12.3%)	\$492,366 (15.9%)

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Highlights from the table above are noted as follows:

- The financial performance of the project appears to be favorable as proceeds from operating revenues exceed operational costs.
- For the agency as a whole, projected total gross operating revenue decreases slightly by approximately 1.7% from \$3,145,045 on 406 total patients (approximately \$7,746/patient) in 2014 to \$3,093,163 on 452 patients in Year 1 (approximately \$6,843/patient). *Note: Although not included in the table above, the applicant expects total gross revenue to increase to \$3,346,364 on 489 total patients in Year 2.*
- Net operating revenue after bad debt, charity care, and contractual adjustments is \$998,108 in Year 1 (\$2,208/patient).
- The applicant's projected \$1,119/patient operating cost in Year 1 calculates to a 18% decrease from \$1,464/patient in 2014.
- Net operating income is estimated at \$492,366 or approximately 15.9% of total gross revenue in Year 1.
- Charity care amounts to approximately 1.0% of total gross revenue in Year 1.

Charges

- Average gross operating revenue is approximately \$6,843.00/patient in Year 1, a decrease from \$7,746/patient in 2014. *Note to Agency Members: The reason for the decrease in the applicant's charges may be similar to the explanation provided in a recently approved Certificate of Need for the expansion of Alere's service area in Middle-Tennessee (CN1506-025A). In that project, HSDA staff was advised that the decrease in the average gross charge is related to a change in the mix of therapies and services provided by Alere (Source: CN1506-025A; Item 9, Supplemental 1).*
- Alere expects that the proposed expansion of its service area will be cost effective and will operate with a positive margin.

Medicare and TennCare/Medicaid Payor Mix

- The applicant provides in-home services only to high risk obstetrical patients of childbearing age and does not currently hold or plan to seek Medicare provider certification.
- As illustrated in Table 16 on page 63-R of the application, the applicant expects its TennCare/Medicaid payor mix in Year 1 and Year 2 to remain unchanged as a result of the project. In 2014, TennCare/Medicaid revenues accounted for approximately 41% of the home health agency's total gross operating revenue.

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Financing

The project start-up cost of \$79,000 will be funded from cash reserves in the form of a cash transfer from OptumHealth Care Solutions, Inc, to Alere Health, LLC (applicant's owner) and subsequently the applicant. The applicant and all of the parties noted are all ultimately related through common ownership by United Health Group (UHG), a publically traded company. Please note the following

- A November 30, 2015 letter from Joel Costa, Chief Financial Officer, Optum Health Care, Inc, attests to the availability of cash on hand to fund the project as documented in the Security and Exchange filings of UHG for the year ended 12/31/2014 and quarter ending 06/30/2015.
- Review of UHG's Consolidated Balance Sheet attached to the application revealed cash and cash equivalents of \$7,495,000,000 for the year ended 6/31/14, total current assets of \$23,556,000,000, and total current liabilities of \$30,623,000,000 resulting in what appears to be an unfavorable current ratio of 0.76 to 1.0.
- Per the response to Item 9 of the December 16, 2015 supplemental response, the applicant states there are sufficient cash reserves available to cover the \$79,000 capital outlay of the project.

Note to Agency Members: Current Ratio is a general measure of liquidity and is the ratio of current assets to current liabilities which measures the ability of an entity to cover its current liabilities with its existing current assets. A ratio of 1:1 would be required to have the minimum amount of assets needed to cover current liabilities.

Staffing

The applicant will utilize a combination of existing and new obstetrical RN employees as direct patient care staff or field staff to support the proposed 16 county additional service area. As noted on pages 33 and 34 of the application, Alere estimates it has existing employees that reside in 1 of the 16 proposed counties. Highlights of the applicant's staffing plan are as follows:

- The applicant has a current nursing pool of 8 Obstetrical RNs or approximately 2.0 full time equivalents (FTEs).
- Alere plans to increase the HHA's RN nursing pool from 8 to 25 RNs by Year 2 of the project.
- The combined filed staff will consist of approximately 8.2 total FTE, including 4.4 FTE from the pool of qualified Obstetrical RNs.
- The proximity of existing nursing pool staff by county of residence to principle cities in the proposed 16 county additional service area is illustrated in Table 3 on page 34 of the application.

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- The resume of the corporate Medical Director, Norman Ryan, M.D. was provided in the attachments to the original application.

Licensure/Accreditation

Alere Women's and Children's Health was initially licensed by the Tennessee Department of Health effective December 21, 1998. Its current license expires April 30, 2016 and is in good standing as evidenced by its zero deficiency annual survey in October 2014. The applicant's Joint Commission accreditation expires May 2016. Copies of the last state survey and the July 11, 2013 Joint Commission letter are provided in the application.

Corporate documentation, copies of the office lease and additional miscellaneous material included in the original application are on file at the Agency office and will be available at the Agency meeting.

Should the Agency vote to approve this project, the CON would expire in two years.

CERTIFICATE OF NEED INFORMATION FOR THE APPLICANT

There are no other Letters of Intent, denied or pending applications, or outstanding Certificates of Need for this applicant.

Note: The applicant's owner has financial interest in this and other Certificate of Need projects as follows:

Pending Applications

Alere Woman's and Children's Health (Hamilton County), CN1512-057, has an application that will be heard at the March 23, 2016 Agency meeting for the addition of 23 counties, including Anderson, Blount, Campbell, Carter, Claiborne, Cocke, Grainger, Greene, Hamblen, Hancock, Hawkins, Jefferson, Johnson, Knox, Loudon, Morgan, Roane, Scott, Sevier, Sullivan, Unicoi, Union, and Washington Counties to the existing 13-county service area of Alere Women's and Children's Health, a home health organization licensed by the Tennessee Department of Health whose parent office is located at 651 East 4th Street, Suite 100, Chattanooga (Hamilton County), TN, 37403. The project will not change the parent office of the applicant nor will it change the provision of services exclusively limited to the care of high-risk obstetrical patients with antepartum and postpartum needs. The estimated project cost is \$80,600.

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Outstanding Certificate of Need

Alere Woman's and Children's Health (Davidson), CN1506-025A, has an approved Certificate of Need that will expire on December 1, 2017. The project was approved at the October 28, 2015 Agency meeting for the addition of 22 counties, including Cannon, Clay, Cumberland, DeKalb, Fentress, Franklin, Giles, Humphreys, Jackson, Lawrence, Lewis, Lincoln, Macon, Moore, Overton, Pickett, Putnam, Smith, Stewart, Trousdale, Van Buren, and White Counties, to the existing 14 county service area of Alere Women's and Children's Health, a home health organization licensed by the Tennessee Department of Health effective March 1, 1999 whose parent office is located at 1926 Hayes Street, Suite 111, Nashville, TN. The project will not change the parent office of the applicant nor will it change the provision of services exclusively limited to the care of high-risk obstetrical patients and newborns with antepartum and postpartum needs. The total estimated project cost is **\$84,000**. *Project Status Update: The project was recently approved.*

CERTIFICATE OF NEED INFORMATION FOR OTHER SERVICE AREA FACILITIES:

There are no other Letters of Intent, denied or pending applications for other health care organizations in the service area proposing this type of service.

Outstanding Certificates of Need:

Pentec Health, Inc., CN1411-046A has an outstanding Certificate of Need that will expire on August 1, 2017. The application was approved at the June 24, 2015 Agency meeting for the establishment of a home care organization and the initiation of home health services limited to intrathecal pump infusion and Ig-G replacement therapy services in all counties in Tennessee except Hancock, Perry and VanBuren Counties. The parent office will be located in leased space at 424 Church Street, Suite 2000, Nashville (Davidson County), TN. No branch offices are proposed. The applicant plans to utilize Pentec Health's existing pharmacy whose compounding branch site is located at the parent office at 4 Creek Parkway in Boothwyn, PA. The pharmacy has an active Tennessee license. The estimated project cost is **\$142,028.00**. *Project Status: This project was recently approved.*

Implanted Pump Management, CN1406-027A, has an outstanding Certificate of Need that will expire on August 1, 2017. The application was approved at the June 24, 2015 Agency meeting for the establishment of a home care organization and the initiation of home health services limited to intrathecal pump services. The parent office will be located at 200 Prosperity Place #102, Knoxville (Knox County), TN 37932. There are no branch offices proposed for this project. The service area includes all 95 counties in

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Tennessee. The estimated project cost is **\$8,100.00**. *Project Status: This project was recently approved.*

Coram Alternative Site Services, Inc. d/b/a Coram Specialty Infusion Services, CN1406-018A, has a Certificate of Need that will expire on November 1, 2016. The project was approved at the September 24, 2014 Agency meeting for the establishment of a home care organization and the initiation of home health services limited to provision and administration of home infusion products and related infusion nursing services ancillary to its pharmacy services patients residing in 25 West Tennessee counties from its current licensed home infusion pharmacy located at 1680 Century Center, Suite 12, Memphis (Shelby County), TN 38134. The estimated project cost is **\$98,000.00**. *Project Status Update: Review of the Licensed Facilities Report on the Department of Health website revealed that the agency has an active license that will expire on May 13, 2016. The most recent 7/24/15 Annual Progress Report reflects that services identified in the approved CON were to begin in May 2015. HSDA staff has contacted counsel to determine the status of the Final Project Report.*

PLEASE REFER TO THE REPORT BY THE DEPARTMENT OF HEALTH, DIVISION OF HEALTH STATISTICS, FOR A DETAILED ANALYSIS OF THE STATUTORY CRITERIA OF NEED, ECONOMIC FEASIBILITY, AND CONTRIBUTION TO THE ORDERLY DEVELOPMENT OF HEALTH CARE IN THE AREA FOR THIS PROJECT. THAT REPORT IS ATTACHED TO THIS SUMMARY IMMEDIATELY FOLLOWING THE COLOR DIVIDER PAGE.

PJG
03/07/2016

LETTER OF INTENT

LETTER OF INTENT -- HEALTH SERVICES & DEVELOPMENT AGENCY

The Publication of Intent is to be published on or before December 10, 2015, for one day, in the following newspapers:

- (a) The *Camden Chronicle*, which is a newspaper of general circulation in *Benton* County;
- (b) The *News Leader*, which is a newspaper of general circulation in *Decatur* County;
- (c) The *Paris Post-Intelligencer*, which is a newspaper of general circulation in *Henry* County;
- (d) The *Buffalo River Review*, which is a newspaper of general circulation in *Perry* County;
- (e) The *Wayne County News*, which is a newspaper of general circulation in *Wayne* County;
- (f) The *Jackson Sun*, which is a newspaper of general circulation in *Carroll*, *Chester*, *Gibson*, *Henderson* Counties; and
- (g) The *Commercial Appeal*, which is a newspaper of general circulation in *Crockett*, *Dyer*, *Hardin*, *Lake*, *McNairy*, *Obion*, and *Weakley* Counties.

This is to provide official notice to the Health Services and Development Agency and all interested parties, in accordance with T.C.A. §§ 68-11-1601 et seq., and the Rules of the Health Services and Development Agency, that Alere Women's and Children's Health LLC (a home health agency with its principal office in Shelby County), owned and managed by Alere Women's and Children's Health, LLC (a limited liability company), intends to file an application for a Certificate of Need to provide home health agency services exclusively limited to the care of high-risk obstetrical patients with antepartum and postpartum needs, in the following 16 counties, to be added to its current service area, at a cost estimated at \$79,000: Benton, Carroll, Chester, Crockett, Decatur, Dyer, Gibson, Hardin, Henderson, Henry, Lake, McNairy, Obion, Perry, Wayne, and Weakley.

The applicant is licensed as a Home Health Agency by the Board for Licensing Health Care facilities. The applicant's principal office as of January 1, 2016 will be located at 3175 Lenox Park Boulevard, Suite 400, Memphis, TN 38115. The project does not contain major medical equipment or initiate or discontinue any other health service; and it will not affect any facility's licensed bed complements.

The anticipated date of filing the application is on or before December 15, 2015. The contact person for the project is John Wellborn, who may be reached at Development Support Group, 4219 Hillsboro Road, Suite 210, Nashville, TN 37215; (615) 665-2022.

	1 DECEMBER 2015	bphillips@bassberry.com
(Signature)	(Date)	(E-mail Address)

COPY

Alere Women's
and Children's
Health, LLC
(Shelby Co)

CN1512-056

December 7, 2015

Melanie Hill, Executive Director
Tennessee Health Services and Development Agency
Andrew Jackson Building, 9th Floor
502 Deaderick Street
Nashville, TN 37243

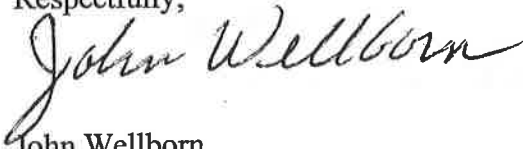
RE: CON Application Submittal
Alere Women's and Children's Health, LLC--Expansion of Service Area
Germantown; Shelby County

Dear Mrs. Hill:

This letter transmits an original and two copies of the subject application. The affidavit and filing fee are enclosed.

I am the contact person for this project. Brant Phillips is legal counsel. Please advise me of any additional information you may need. We look forward to working with the Agency on this project.

Respectfully,



John Wellborn
Consultant

PART A**1. Name of Facility, Agency, or Institution**

Alere Women's and Children's Health, LLC (of Shelby County)		
<i>Name</i>		
3175 Lenox Park Boulevard, Suite 400	Shelby	
<i>Street or Route</i>	<i>County</i>	
Memphis	TN	38115
<i>City</i>	<i>State</i>	<i>Zip Code</i>

2. Contact Person Available for Responses to Questions

John Wellborn		Consultant	
<i>Name</i>		<i>Title</i>	
Development Support Group		jwdsg@comcast.net	
<i>Company Name</i>		<i>E-Mail Address</i>	
4219 Hillsboro Pike, Suite 210	Nashville	TN	37215
<i>Street or Route</i>	<i>City</i>	<i>State</i>	<i>Zip Code</i>
CON Consultant	615-665-2022	615-665-2042	
<i>Association With Owner</i>	<i>Phone Number</i>	<i>Fax Number</i>	

3. Owner of the Facility, Agency, or Institution

Alere Women's and Children's Health, LLC	901-756-6444
<i>Name</i>	<i>Phone Number</i>
Same as in #1 above	
<i>Street or Route</i>	<i>County</i>
Same as in #1 above	
<i>City</i>	<i>State</i> <i>Zip Code</i>

4. Type of Ownership or Control (Check One)

A. Sole Proprietorship	<input type="checkbox"/>	F. Government (State of TN or Political Subdivision)	<input type="checkbox"/>
B. Partnership	<input type="checkbox"/>	G. Joint Venture	<input type="checkbox"/>
C. Limited Partnership	<input type="checkbox"/>	H. Limited Liability Company	<input checked="" type="checkbox"/>
D. Corporation (For-Profit)	<input type="checkbox"/>	I. Other (Specify):	<input type="checkbox"/>
E. Corporation (Not-for-Profit)	<input type="checkbox"/>		<input type="checkbox"/>

**PUT ALL ATTACHMENTS AT THE BACK OF THE APPLICATION IN ORDER AND
REFERENCE THE APPLICABLE ITEM NUMBER ON ALL ATTACHMENTS**

5. Name of Management/Operating Entity (If Applicable) **NA**

<i>Name</i>		
<i>Street or Route</i>		<i>County</i>
<i>City</i>	<i>State</i>	<i>Zip Code</i>

6. Legal Interest in the Site of the Institution (Check One)

A. Ownership		D. Option to Lease	
B. Option to Purchase		E. Other (Specify):	
C. Lease of: 5 years / 60 months	x		

7. Type of Institution (Check as appropriate—more than one may apply)

A. Hospital (Specify): General		I. Nursing Home	
B. Ambulatory Surgical Treatment Center (ASTC) Multi-Specialty		J. Outpatient Diagnostic Center	
C. ASTC, Single Specialty		K. Recuperation Center	
D. Home Health Agency	x	L. Rehabilitation Center	
E. Hospice		M. Residential Hospice	
F. Mental Health Hospital		N. Non-Residential Methadone	
G. Mental Health Residential Facility		O. Birthing Center	
H. Mental Retardation Institutional Habilitation Facility (ICF/MR)		P. Other Outpatient Facility (Specify):	
		Q. Other (Specify):	

8. Purpose of Review (Check as appropriate—more than one may apply)

		G. Change in Bed Complement Please underline the type of Change: Increase, Decrease, Designation, Distribution, Conversion, Relocation	
A. New Institution		H. Change of Location	
B. Replacement/Existing Facility		I. Other (Specify):	x
C. Modification/Existing Facility		Home Health Service Area Expansion, limited to high-risk OB patients.	
D. Initiation of Health Care Service as defined in TCA Sec 68-11-1607(4) (Specify) Home Health			
E. Discontinuance of OB Service			
F. Acquisition of Equipment			

9. Bed Complement Data**NA***(Please indicate current and proposed distribution and certification of facility beds.)*

	Current Licensed Beds	CON approved beds (not in service)	Staffed Beds	Beds Proposed (Change)	TOTAL Beds at Completion
A. Medical					
B. Surgical					
C. Long Term Care Hosp.					
D. Obstetrical					
E. ICU/CCU					
F. Neonatal					
G. Pediatric					
H. Adult Psychiatric					
I. Geriatric Psychiatric					
J. Child/Adolesc. Psych.					
K. Rehabilitation					
L. Nursing Facility (non-Medicaid certified)					
M. Nursing Facility Lev. 1 (Medicaid only)					
N. Nursing Facility Lev. 2 (Medicare only)					
O Nursing Facility Lev. 2 (dually certified for Medicare & Medicaid)					
P. ICF/MR					
Q. Adult Chemical Dependency					
R. Child/Adolescent Chemical Dependency					
S. Swing Beds					
T. Mental Health Residential Treatment					
U. Residential Hospice					
TOTAL					

10. Medicare Provider Number:	None
Certification Type:	NA

11. Medicaid Provider Number:	None
Certification Type:	NA

12. & 13. See page 4

A.12. IF THIS IS A NEW FACILITY, WILL CERTIFICATION BE SOUGHT FOR MEDICARE AND/OR MEDICAID?

This is an existing home health agency. It is not eligible to be Medicare-certified because it serves only high-risk pregnant women, none of whom will be 65 or more years of age. It cannot be certified for TennCare because it has no Medicare number (a State requirement). However, the applicant is a major provider of care to TennCare patients by means of service contracts negotiated with all the TennCare MCO's themselves. The MCO's engage and pay Alere to care for many of their high-risk pregnant enrollees because they have found that Alere's "preventive" prenatal services greatly reduce hospital and physician costs that the MCO's would otherwise incur for these patients.

A.13. IDENTIFY ALL TENNCARE MANAGED CARE ORGANIZATIONS / BEHAVIORAL HEALTH ORGANIZATIONS (MCO'S/BHO'S) OPERATING IN THE PROPOSED SERVICE AREA. WILL THIS PROJECT INVOLVE THE TREATMENT OF TENNCARE PARTICIPANTS? Yes IF THE RESPONSE TO THIS ITEM IS YES, PLEASE IDENTIFY ALL MCO'S WITH WHICH THE APPLICANT HAS CONTRACTED OR PLANS TO CONTRACT.

DISCUSS ANY OUT-OF-NETWORK RELATIONSHIPS IN PLACE WITH MCO'S/BHO'S IN THE AREA.

Table One: Contractual Relationships with Service Area MCO's	
Available TennCare MCO's	Applicant's Relationship
AmeriGroup or BlueCare	contracted
United Healthcare Community Plan (formerly AmeriChoice)	contracted
TennCare Select	contracted

SECTION B: PROJECT DESCRIPTION

B.I. PROVIDE A BRIEF EXECUTIVE SUMMARY OF THE PROJECT NOT TO EXCEED TWO PAGES. TOPICS TO BE INCLUDED IN THE EXECUTIVE SUMMARY ARE A BRIEF DESCRIPTION OF PROPOSED SERVICES AND EQUIPMENT, OWNERSHIP STRUCTURE, SERVICE AREA, NEED, EXISTING RESOURCES, PROJECT COST, FUNDING, FINANCIAL FEASIBILITY AND STAFFING.

Proposed Services and Equipment

- Alere Women's and Children's Health (Shelby County office) is a highly specialized home health agency that has served 7 West Tennessee counties surrounding Memphis for many years. It is one of three Alere home health agencies in the State, and is part of a national network of Alere agencies supported by regional clinical centers that electronically monitor health status of Alere patients and participate in their care.
- Alere has a specialized and critically important home care mission. Alere works with, and under the direction of, patients' physicians, to provide clinically state-of-the-art home care exclusively to high-risk obstetrical patients for their antepartum and immediate postpartum needs. Alere does not provide any other type of home care services.
- In this application, Alere is proposing to add sixteen additional Tennessee counties to the service area of its Shelby County principal office, to be able to serve referring physicians' patients wherever they may live in West Tennessee. This application is one of three applications being submitted to expand Alere's three service areas from 34 relatively populous counties to all 95 counties, including the least populous and lowest-income counties. The first, for Middle Tennessee, was unanimously approved in October.
- Alere is supported in its work, and in this application, by TennCare MCO's and other insurers, by perinatal centers in the region, and by numerous referring physicians who view its services and competencies as uniquely needed and beneficial.

Ownership Structure

- The applicant LLC is wholly owned by Alere Health, LLC, which is wholly owned by OptumHealth Care Solutions, Inc., which is ultimately owned by United Health Group (a publicly traded company). Attachment A.4 contains more details, an organization chart for Optum and its subsidiaries, and information on the licensed Tennessee agencies owned by the applicant.

Service Area

- The applicant's current service area consists of 7 West Tennessee counties: Shelby, Madison, Fayette, Hardeman, Haywood, Lauderdale, and Tipton. The applicant proposes to add to its service area 16 additional West Tennessee counties: Benton, Carroll, Chester, Crockett, Decatur, Dyer, Gibson, Hardin, Henderson, Henry, Lake, McNairy, Obion, Perry, Wayne, and Weakley.

Need

- Alere programs protect the lives of physician- or payer-identified, high-risk expectant mothers, and prevent many fetal and newborn health problems that impose high medical and societal costs both during, and after, the pregnancy. Alere interventions reduce costly emergency room visits, maternal hospitalizations, and newborn admissions to Neonatal Intensive Care Units. Alere's positive impacts on restraining costs of care and on increasing high quality outcomes have resulted in strong physician and insurer support, wherever it operates. Approximately 47% of this agency's patients are TennCare mothers; so its services provide special fiscal benefits to State government.
- Tennessee's new Statewide TennCare MCO's need universal availability of Alere's services throughout the State. Physicians, insurers, and patients Statewide need access to the unique levels of care and expertise that Alere staffs provide.
- Approval of this application will result in greater accessibility to care for all high-risk pregnant women in the service area, and especially for TennCare enrollees. These patients are not adequately served today.
- Because of the highly specialized nature of Alere's services, as well as its unique patient population, the impact of this project on other existing providers will be minimal. The agencies now licensed for these counties served 16,097 patients in these 16 counties in 2014. The 96 patients Alere would serve in Year Two are only six-tenths of 1% of those agencies' total caseloads from these counties. And many Alere patients will be women who would otherwise be going to local Emergency Rooms and hospitals for care, rather than being cared for at home.
- Alere believes that its services are uniquely beneficial to home health patients in this area, and that high-risk pregnant women and their newborns in the proposed service area do not have adequate access to, or choice among, home care services this comprehensive, continuous, and clinically sophisticated.
- There are 33 home health agencies licensed currently to serve one or more of this project's proposed new service area counties. None of them is fully dedicated to the maternal and infant patient population, as is Alere. Many of them do not serve significant numbers of TennCare or female patients under the age of 65. Approximately 47% of Alere's total patients are TennCare enrollees, all of them pregnant women facing problem pregnancies. Alere/Shelby County's TennCare payor mix (on gross revenues) is 35%, which is matched by only 3 of the 33 area agencies, with 15 of the 33 (46% of them) reporting no TennCare revenues at all.

Project Cost, Funding, Financial Feasibility, and Staffing

- The cost of the project is insignificant. It requires no new offices, no construction, no major medical equipment. The cost of completing a CON review process is the largest cost. The total project cost for CON purposes will not exceed \$79,000. Funding of all project costs will be provided by the parent company, United Health Group, through a cash transfer to the applicant LLC. Current and projected financial performance of the applicant agency show a positive operating margin. The expansion of the Shelby County office of Alere will require addition of approximately 7.95 FTE equivalents in Year Two.

December 16, 2015**4:08 pm**

B.II. PROVIDE A DETAILED NARRATIVE OF THE PROJECT BY ADDRESSING THE FOLLOWING ITEMS AS THEY RELATE TO THE PROPOSAL.

B.II.A. DESCRIBE THE CONSTRUCTION, MODIFICATION AND/OR RENOVATION OF THE FACILITY (EXCLUSIVE OF MAJOR MEDICAL EQUIPMENT COVERED BY T.C.A. 68-11-1601 *et seq.*) INCLUDING SQUARE FOOTAGE, MAJOR OPERATIONAL AREAS, ROOM CONFIGURATION, ETC.

Not applicable. There is no physical facility modification, renovation, or construction involved in this project.

APPLICANTS WITH HOSPITAL PROJECTS (CONSTRUCTION COST IN EXCESS OF \$5 MILLION) AND OTHER FACILITY PROJECTS (CONSTRUCTION COST IN EXCESS OF \$2 MILLION) SHOULD COMPLETE THE SQUARE FOOTAGE AND COSTS PER SQUARE FOOTAGE CHART.

UTILIZING THE ATTACHED CHART, APPLICANTS WITH HOSPITAL PROJECTS SHOULD COMPLETE PARTS A-E BY IDENTIFYING, AS APPLICABLE, NURSING UNITS, ANCILLARY AREAS, AND SUPPORT AREAS AFFECTED BY THIS PROJECT. PROVIDE THE LOCATION OF THE UNIT/SERVICE WITHIN THE EXISTING FACILITY ALONG WITH CURRENT SQUARE FOOTAGE, WHERE, IF ANY, THE UNIT/SERVICE WILL RELOCATE TEMPORARILY DURING CONSTRUCTION AND RENOVATION, AND THEN THE LOCATION OF THE UNIT/SERVICE WITH PROPOSED SQUARE FOOTAGE. THE TOTAL COST PER SQUARE FOOT SHOULD PROVIDE A BREAKOUT BETWEEN NEW CONSTRUCTION AND RENOVATION COST PER SQUARE FOOT. OTHER FACILITY PROJECTS NEED ONLY COMPLETE PARTS B-E.

Not applicable. There is no construction involved in this project. The proposed services will be managed by personnel in the existing Alere office in Memphis, which will require no physical expansion. Field staff (OB RN's who deliver the home care) will operate from their homes in counties within, or adjoining, the service area.

PLEASE ALSO DISCUSS AND JUSTIFY THE COST PER SQUARE FOOT FOR THIS PROJECT.

Not applicable. There is no construction involved in this project.

IF THE PROJECT INVOLVES NONE OF THE ABOVE, DESCRIBE THE DEVELOPMENT OF THE PROPOSAL.

The Applicant

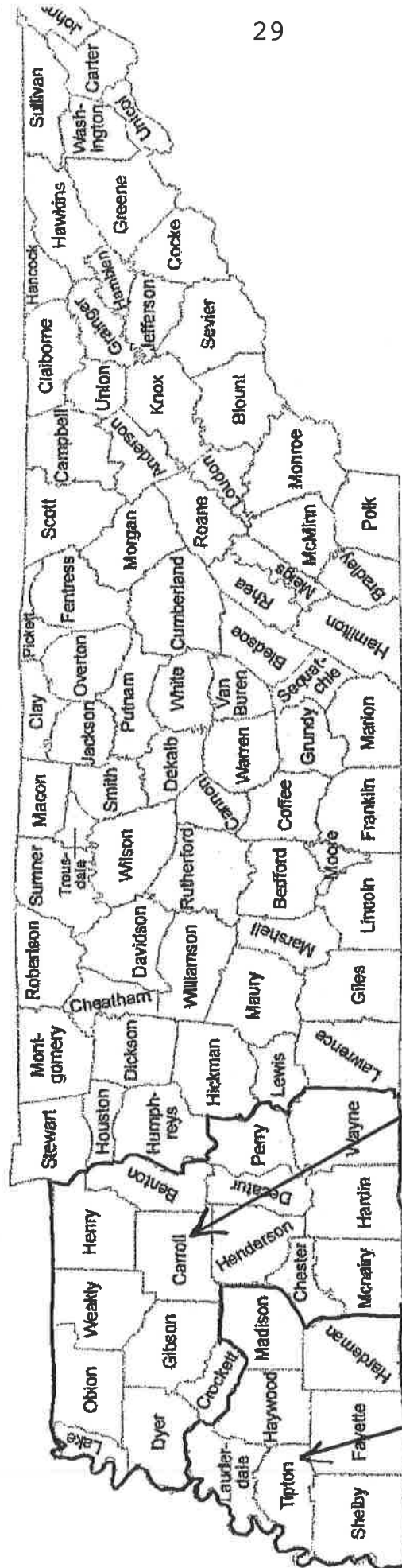
Alere Women's and Children's Health is a national leader in maternal-newborn healthcare management. Responding to physicians who need home care for their patients, Alere offers a full scope of programs from Preconception through Risk Assessment and OB Case Management. In its more than 28 years of operation, Alere staff have provided care for more than three million pregnancies across America. The company is one of the world's largest employers of obstetrical RN's and obstetrical pharmacists.

Alere has served Tennessee mothers and newborns for 17 years, through three separately licensed home care agencies in Davidson, Hamilton, and Shelby Counties (as well as through an Alere medical equipment agency in Knoxville). Last year, the three home care agencies served 612 patients. Of those, 175 were served by Alere's Shelby County agency.

Service Area

Alere's Shelby County agency is proposing to expand its 7-county Middle Tennessee service area by 16 additional counties: Benton, Carroll, Chester, Crockett, Decatur, Dyer, Gibson, Hardin, Henderson, Henry, Lake, McNairy, Obion, Perry, Wayne, and Weakley.

The expansion will give Alere a 23-county coverage of West Tennessee. A map of the expansion follows this response.



PROPOSED ADDITIONAL COUNTIES

CURRENT COUNTIES

ALERE WOMEN'S AND CHILDREN'S HEALTH / SHELBY COUNTY

CURRENT AND PROPOSED SERVICE AREA

Scope of Services

The services to be provided are those that Alere home health agencies provide currently, and have provided in authorized areas of Tennessee for decades: home care services exclusively for high-risk pregnant women. To clarify that it will not be in significant competition with any general home health agency already authorized in the service area, Alere is requesting CON approval with that condition.

The services offered by Alere are discussed in detail in Section B.II.C (Project Need) below. They can be grouped into several major categories:

- Preterm Labor Education With Nursing Surveillance and 17P Administration Service
- Nausea and Vomiting in Pregnancy (NVP)
- Diabetes in Pregnancy
- Managing Hypertension Disorders in Pregnancy
- Coagulation Disorders

These services are provided at the physician's direction to prevent or limit numerous risks to the pregnant woman and the fetus/newborn. Risks include:

- Physical and mental impairment of the newborn;
- Intractable nausea, vomiting, and dehydration of the mother;
- Maternal/infant mortality from uncontrollable blood sugar levels (diabetes);
- Infant morbidity/mortality from uncontrolled hypertension;
- Maternal death from deep vein thrombosis and pulmonary embolism;
- First trimester spontaneous abortions;
- Recurrent preterm birth
- High costs of avoidable NICU and hospital admissions

Care Delivery Model

Physicians request Alere to deliver home care to their obstetrical patients, to provide the best possible care at home, at the lowest cost, and also to avoid when possible

the costly and time-consuming visits to the practice office, visits to the Emergency Department, and hospital admissions that often occur when high-risk pregnant patients do not have a home care resource with Alere's levels of skill and continuous committed 24/7 oversight.

To respond to physicians' requests for services to their patients, Alere utilizes its own employed pool of highly experienced, obstetrical RN's who live in communities that are quickly accessible to the patient's home.

The assigned OB RN performs a comprehensive maternal/fetal home assessment and patient education is begun. The scope of evaluations and education include patient health issues; psychosocial, environmental, and home assessments; fetal movement assessment; and training and education in self-care protocols, nutrition, social habits, and activity requirements, to name a few.

Instruction is provided in the use of supplies and equipment (e.g., insulin pumps). Barriers to care are identified and dealt with (e.g. transportation needs; childcare; ability to comply with scheduled visits). Interdisciplinary resources are identified and organized to be available appropriately, including nurses, pharmacists, and dieticians.

Appropriate daily, weekly, and continuous care management occurs through home visits by the OB RN; telephonic assessments and direction by OB RN's and OB pharmacists; telephonic reporting by the patient (as often as multiple times day and night); and 24/7 telephonic clinical and educational guidance upon request, from Alere's unique national Patient Service Centers, staffed by OB pharmacists and OB RN's.

Equipment for medication infusion is remotely monitored and controlled as needed. Supplies are provided to the home by Federal Express, UPS, and the U.S. mail, as well as during OB RN visits. Patients are diligently supervised for compliance with prescribed services, which is one of the greatest issues for many of these patients. (Pursuit of compliance is the most effective way to optimize good outcomes). Detailed patient records are maintained by the OB Nurse; digitalized records are entered at Agency offices and at the Patient Service Centers; and weekly written reports are made to the referring physician and insurer case manager as requested.

Project Costs and Funding

The project will require only a very small capital expenditure, estimated not to exceed \$79,000. No additional office space need be acquired to implement the project; it will be managed from Alere/Shelby's existing office in Chattanooga.

The cost of the project will be funded entirely in cash, by the applicant's parent company, United Health Group (UHG).

Staffing

Approximately 7.95 *additional* FTE equivalents will be required in Year Two, to serve the 96 new patients per year that Alere expects to serve in these additional counties (based on current Alere/Shelby County use rates). Of these, 2.4 FTE equivalents will be additional direct patient care OB nurses; the others will be local and regional support staff.

Home care services will be provided by obstetrical nurses employed to work as needed in counties within, or near, the proposed new service area. Alere's plan for ensuring rapid access to patients in the new counties is discussed in more detail in Section B.III.B.1 below.

Alere's staffing and its relationship to the referring physician and Alere consulting staff can be summarized as follows.

The patient's physician is the physician of record and refers the patient to Alere for the service required to manage the specific pregnancy-related condition requiring home care services. Alere works with the physician to develop the patient's plan of care. Alere develops, in consultation with the physician, written orders for home health services that include the specific treatment and modalities to be used and specific and their amount/frequency and duration. The plan of treatment is reviewed on an ongoing basis as often as the severity of the patient's condition requires. At a minimum of every 62 days, the plan of treatment is sent for physician review and signature.

The OB Pharmacist is available telephonically as a consultant to the physician to assist with questions surrounding medication use in pregnancy, advises on dosages of medication, safety of medications, reviews drug to drug interactions, and makes recommendations on concomitant use of medications. For any Tennessee patient, telephonic guidance by Alere OB Pharmacists at the 24-hour Regional Call Centers is provided only by pharmacists who hold a valid license, and registered nurses who are licensed in the State of Tennessee. These are the only Alere providers serving Alere patients other than the patient's assigned Home Care OB RN.

The Home Care Director at Alere's office is responsible for Home Care Operations and supervision of all nursing and administrative functions associated with the operations of the Home Care facility. The Home Care Director is responsible for maintaining all regulatory and Joint Commission standards, for supervising staff, and for ensuring supervision and competency of staff by performing ongoing assessments. The Director co-travels to a patient's home to observe a visit to ensure each nurse's competency, annually. Directors report to Alere's Governing Board and participate in Quarterly reviews of Policies, Quality and Safety. Alere has an extensive, comprehensive Quality Management program that requires the reporting of all medication errors and all unexpected or adverse events related to patient care and the operation of the Home Care site.

Registered Nurses – Both Patient Educators (nurses that provide direct skilled nursing care in the home), and Perinatal Clinicians (nurses that provide telephonic management of the patient) are nurses with an active license in the state of Tennessee. All Registered Nurses employed by Alere have at least one year of high risk Obstetrical Experience, and all are capable to provide maternal-fetal assessments including the use of dopplers to assess fetal heart tones during the skilled nursing visits. These highly skilled nurses are well educated and versed in the management of the complexities surrounding diagnoses specific to the condition of pregnancy, which require a high level of skill and knowledge.

Alere's nurses provide skilled nursing care in the home, and patients also have 24/7/365 support telephonically from high-risk obstetrical nurses, who answer questions and provide interventional nursing directions to address the patient's needs. For

and provide interventional nursing directions to address the patient's needs. For Tennessee patients, those nurses will hold a Tennessee license. Reports are provided to the patient's physician weekly, and also on an as-needed basis when there is any required change in the patient's plan of care.

Alere works with the physician, patient and OB Pharmacist to manage the patient's pain safely during pregnancy. Alere assesses the patient's pain at every visit and follows up accordingly. Alere does not offer or supervise the provision of pain management pumps.

When infusion pumps are required, Alere follows strict policies relative to safely managing them. The policies include the requirement to validate all pump programming/dosing with two Registered Nurses prior to patient placement. This is done to ensure the dosage is programmed per the plan of treatment. The pumps are programmed with maximum and minimum dosages as well as lock-out settings that prevent the patient from making changes to the pump that could result in the delivery of the wrong dosage of medication.

Alere does not utilize telemedicine to connect the patient with the patient's physician. Referring physicians are kept informed of their patients' conditions and the services being provided; but they rely on Alere staff to treat appropriately within the recognized scope of skilled nursing care. This is not a program to create a virtual physician office at the patient bedside. Physicians have no need or time to be present by telemedicine hookups. In the rare event of exceptional needs beyond the scope of appropriate skilled nursing care, the patient is immediately transported to the hospital or the physician office for physician-provided care.

All Alere personnel comply with the requirements of the Federal HIPAA rules and regulations, in maintaining patient confidentiality. All Alere Home Care employees are required to complete annual HIPAA training and to maintain documentation of all ongoing training and education.

December 16, 2015**4:08 pm**Applicant's Clinical Leadership

Elizabeth Summers, RN, is Alere/Shelby County's Home Care Director. She has 17 years of nursing experience in the field of Obstetrics. She has been an Alere Home Care Director for 6 years and has successfully passed all State Surveys and Joint Commission surveys. This position is equivalent to the Director of Nursing position in other types of agencies.

Elizabeth Summers reports to Laura Milner, RN, who is the Statewide Senior Home Care Director for all three of Alere's Tennessee offices (Nashville, Chattanooga, Memphis), in addition to serving as the Home Care Director for Alere/Davidson County.

Alere home health agencies do not require a local Medical Director because they work under the direction of the patients' physicians, with whom they are in continuous contact. Nationally, the Alere Medical Director is Norman Ryan, MD. His extensive CV is attached at the end of this letter.

How Alere Contracts

As explained in the application, Alere does not meet the requirements for a Medicare provider number. This is because Alere treats young, pregnant women exclusively--and does not consistently maintain the minimum average patient census needed to participate in Medicare. The lack of a Medicare provider number, however, does not limit Alere's ability to work with the TennCare MCOs. No exemption or waiver from TennCare is necessary for Alere because the TennCare regulations requiring participation in Medicare in order to obtain reimbursement from TennCare do not apply to Alere.

Unlike all (or virtually all) other home health providers in Tennessee, Alere is not paid using either the TennCare or Medicare fee schedules. Indeed, most of the highly specialized services provided by Alere are not covered by either the TennCare or Medicare fee schedules. Nonetheless, the TennCare MCOs want to make these services available to their members due to the demonstrated health benefits and the significant

cost savings that Alere's services make possible through sharply reduced maternal and NICU hospitalizations. To accomplish this, the TennCare MCOs independently contract with Alere on a fee-for-service basis using a negotiated fee schedule that is separate and distinct from either the TennCare or Medicare fee schedules. Under this arrangement, the MCOs pay Alere out of their own pockets and do not seek reimbursement for Alere's services from TennCare. Simply stated, Alere is not paid with TennCare dollars. Nor do the MCOs submit encounter data regarding Alere's services to TennCare.

Ownership

There are no individuals with membership interests in the applicant LLC. There are no plans to expand its ownership in the future. As stated in the application on page 5 (Executive Summary), Alere Women's and Children's Health, LLC is a wholly owned subsidiary of Alere Health, LLC, which is wholly owned by OptumHealth Care Solutions, Inc., which is ultimately owned by United Health Group, a publicly traded company.

United Health Group is a very large publicly traded company with multiple divisions and services. The only home health care entity it owns directly or indirectly is Alere Women's and Children's Health, LLC. It owns no licensed physical facilities such as hospitals or nursing homes. Alere Women's and Children's Health, LLC has home health agencies licensed in twenty States.

B.II.C. AS THE APPLICANT, DESCRIBE YOUR NEED TO PROVIDE THE FOLLOWING HEALTH CARE SERVICES (IF APPLICABLE TO THIS APPLICATION):

- 1. ADULT PSYCHIATRIC SERVICES**
- 2. ALCOHOL AND DRUG TREATMENT ADOLESCENTS >28 DAYS**
- 3. BIRTHING CENTER**
- 4. BURN UNITS**
- 5. CARDIAC CATHETERIZATION SERVICES**
- 6. CHILD AND ADOLESCENT PSYCHIATRIC SERVICES**
- 7. EXTRACORPOREAL LITHOTRIPSY**
- 8. HOME HEALTH SERVICES.....**

Unmet Special Needs Addressed By This Project

This CON application is being filed to give Alere programs broader availability to TennCare MCO's and private insurance companies that increasingly request Alere services for young women with special needs for pregnancy-related care.

TennCare MCO's will be a prime beneficiary. They are now Statewide organizations with a significant population of low-income women of childbearing age, in both urban and rural counties. Many of these women face pregnancy risks of the type addressed by Alere home care programs. The MCO's are responsible for paying their costs of healthcare. The MCO's and their patients' physicians value high-quality home care partners that can provide all needed interventional services to those women.

With appropriate home care, pregnant at-risk women can be spared significant health problems and their insurers can avoid significant costs.

But without appropriate home care, these young women will either (a) not receive needed care, resulting in increased maternal/fetal morbidity and mortality, or (b) they will have to obtain it from more costly and difficult-to-reach sources such as hospital Emergency Departments, hospital acute care units, neonatal intensive care units, and their physicians' practice offices. Obtaining specialized care at home is a much more cost-effective option, as well as being the option that has better outcomes for maternal/fetal health.

The applicant has identified 33 licensed home care agencies that are authorized to operate in one or more of the counties in the service area. However, Alere's entry into this service area is needed for the following reasons, among others:

- Because of its historical, long-standing focus on *only* problem pregnancies--and because it uses appropriate technology to supervise and provide guidance in the patient's home between personal home visits--Alere's programs provide a scope and effectiveness of care that are not routinely (if ever) available from existing area agencies. Service area patients should have Alere as one of their home care options because of this expertise alone.
- Alere is one of the most TennCare-accessible agencies in Middle Tennessee, unlike many home health agencies licensed in these 16 counties. Of the 33 licensed agencies, only 3 had a TennCare payor mix as high as Alere/Shelby's 35% TennCare payor mix. Approximately 47% of Alere/Shelby's Tennessee patients are TennCare patients.
- Many physicians and insurers want access to Alere's programs of care, because they perceive that Alere provides care programs not available elsewhere. Many home health agencies avoid serving the high-risk population due to risks of litigation and liability should the births not go well. This creates an accessibility problem for some women, regardless of their insurance source and income status.
- Alere also feels that even if another provider does present evidence of providing Alere's type of service, that does not negate the need for this service's approval. First, those other providers may not cover all of the West Tennessee counties proposed in this project. Second, area consumers, physicians, and insurers have a strong interest in having a meaningful choice (i.e., reasonable duplication) among agencies for patients who require high-risk specialized care. Without that choice, providers will never have to engage in healthy competition for optimal quality of care and optimal outcomes. The applicant believes that the HSDA Board will want to strike a balance between creating such beneficial consumer/insurer choices, and avoiding excessive duplication of ordinary home care services. This project is not, obviously, an ordinary home care service.

- The Joint Annual Reports (JAR's) do not record data that document existing home health providers' services to women of childbearing age (15-44 years of age). However, JAR's do record (unspecified) services to the larger age cohort of "pre-Medicare" adult females (age 18-64). The applicant's Tables Ten-A through Ten-D later in this application compile that data and rank agencies in terms of their dependence on pre-Medicare adult female patients locally (i.e., the percent those patients constitute, of the agency's total patients in the proposed counties), and Statewide (i.e., the percent those patients constitute, of the agency's total patients in all counties licensed to that agency). Those rankings show that relatively little home health service of any kind is provided to adult pre-Medicare age women, by agencies for whom women constitute 15% or more of their patient base within these counties.

To "drill down" further to identify if those women being served are high-risk pregnant, Alere use the rankings to telephonically survey a sample of those agencies that (a) cared for more than *one* woman age 18-64 in the proposed counties during 2014, and also (b) had *at least a 15% dependency* on this age group of women within the proposed service area. Only 7 of the agencies met both criteria.

The surveyor, an experienced OB nurse, interviewed spokespersons for all 7 agencies, asking if they serve high-risk pregnant women, including TennCare patients. The survey found that none of the 7 agencies serves high-risk pregnant women and some do not serve TennCare. The survey table on the following pages provides the survey responses and the agencies' dependency statistics. It is Alere's belief that these agencies' unpreparedness to serve high-risk women is representative of all the agencies now functioning in the proposed service area.

SURVEY OF KEY AGENCIES IN ALERE / SHELBY'S PROPOSED COUNTIES

State License Number	Agency Name and Information Provided To Alere OB RN	Estimated 2014 Female Patients Age 18-64 from Proposed Counties	Females Age 18-64 as Percent of Agency's Patients In Alere's Proposed Counties	Females Age 18-64 as Percent of Agency's Patients Statewide
296	Magnolia Regional Health Care Home Hospice, Alcorn Co. MS 662-293-1405; Jenny <i>Response: We do not have dopplers and do not routinely do OB care.</i>	10	27%	1%
291	NHC Homecare, Fayette Co. 901-465-4101; Wendy <i>Response: No, we do not do any type of pregnancy care.</i>	3	25%	1%
85	NHC Homecare, Gibson Co. 731-686-7481; Chris <i>Response: We do not care for pregnant patients. We cared for one about 7 to 8 years ago.</i>	84	17%	13%
181	NHC Homecare, Maury Co. 931-381-1234; Melanie <i>Response: Don't do any type of pregnancy care.</i>	7	26%	<1%
194	Careall Homecare Services, Maury Co. 931-840-0713; Cindy <i>Response: No, we don't have any nurses qualified to listen to fetal heart tones or trained in Obstetrics.</i>	45	19%	5%
180	Maury Regional Home Services, Maury Co. 931-490-4600 <i>Response: No, we don't care for pregnant patients.</i>	3	23%	<1%
285	Volunteer Home Care, Inc., Gibson Co. 731-784-7200; Chris <i>Response: Unfortunately we do not have OB nurses.</i>	345	16%	12%

Expertise and the Beneficial Impact of Alere's Care Programs

Alere contends that for high-risk pregnant women and their neonates, its array of staffing, technology, 24/7 care availability, and diligence in attaining patient compliance and good outcomes, is superior on a routine basis to that of any other home health agency in the service area. It is therefore important to introduce it as a care option in these counties--especially for the TennCare population where these needs are so great. On subsequent pages, the applicant provides a description of the main clinical care programs offered to Alere patients (not to newborns in Tennessee). All services described are "skilled nursing services" as defined by law and regulations and by those who reimburse for this care. Alere sends to the patient only OB RN's who are skilled in providing the services described.

BENEFITS OF ALERE OBSTETRICAL HOMECARE SERVICES

Program: Preterm Labor Education With Nursing Surveillance and 17P Administration Service
Health Condition(s) Addressed: <ul style="list-style-type: none"> Physician has diagnosed a <u>maternal risk of preterm labor</u> (at less than 37 weeks gestation). Physician has diagnosed patient with history of previous preterm birth. Administration of 17p from 16wks to 36 & 6/7 wks gestation is prescribed to reduce incidence of recurrent preterm birth.
Health Risks of Condition: <ul style="list-style-type: none"> Premature births are associated with increased physical and mental limitations of the infant, some of which are correctible, and others of which are lifetime afflictions.
Costs of Conditions, Unaddressed: <ul style="list-style-type: none"> More emergency room visits and higher cost to the health plan Longer hospital stays and higher costs for the health plan prior to giving birth NICU (neonatal intensive care unit) and acute care stays and costs for newborns Lifetime patient and societal costs of coping with enduring limitations.
Alere Interventions: <ul style="list-style-type: none"> Comprehensive maternal/fetal home assessment and education by OB RN Comprehensive scope of evaluations and education--patient health / psychosocial, environmental, home assessments / assessments of fetal movement / training in self-care protocols, nutrition, social habits, etc. (see detailed list following this section). Weekly injections of "17P" or "Makena" by OB RN to reduce recurrent preterm births 24/7 telephonic OB nurse availability
Benefits of Alere Interventions: <ul style="list-style-type: none"> Diligent supervision by Alere OB RN's yields 97% Alere patient compliance with weekly injection requirements. Compliance is directly associated with reductions in preterm deliveries. Elimination of barriers to care (ie. Transportation, childcare issues, missing scheduled visits etc) to improve compliance with weekly injection schedule. 17P reduces preterm birth incidence by 34%. Reduced costs of ED visits, maternal hospitalizations, NICU care, and future health and societal costs. A 2006 National Institute of Medicine study of 5,609 Medicaid patients with a history of preterm delivery, who received weekly 17P injections, identified almost a 50% reduction of preterm deliveries, with a Medicaid net savings of \$8,090 per birth.

Note: "17P" is abbreviated name of 17 alphahydroxyprogesterone caproate.

<p align="center">Program: Nausea and Vomiting in Pregnancy (NVP)</p>
<p>Health Condition(s) Addressed:</p> <ul style="list-style-type: none"> • Intractable nausea, vomiting, and dehydration (hyperemesis gravidarum) in pregnancy
<p>Health Risks of Condition:</p> <ul style="list-style-type: none"> • Severe discomfort and inability to perform activities of daily living • Dehydration • Malnutrition mother/fetus
<p>Costs of Conditions, Unaddressed:</p> <ul style="list-style-type: none"> • ER visits, 24hr observation stays, hospital admissions of the expectant mother to alleviate symptoms and reduce potential maternal/fetal complications.
<p>Alere Interventions:</p> <ul style="list-style-type: none"> • Multi-interventional approach including dieticians, perinatal nurse clinicians, high risk obstetrical pharmacist consultation, psychosocial assessment, in home nursing support, and delivery of antiemetic-medication through a subcutaneous micro-infusion pump • Daily telephonic assessments by high risk obstetrical nurse • Dietary consultation to address maternal nutritional needs • Limited IV hydration to stabilize fluid balance and alleviate overall symptoms
<p>Benefits of Alere Interventions:</p> <ul style="list-style-type: none"> • 78% increase in weight gain of mother or stabilization • 89% reduction in nausea and vomiting • Hospital admissions for such patients: 65.4% reduced to 3.3% • Reduced costs of ED visits, physician office visits, maternal hospitalizations, NICU care, future health and societal costs.

<p align="center">Program: Diabetes in Pregnancy</p>
<p>Health Condition(s) Addressed:</p> <ul style="list-style-type: none"> • Gestational diabetes (pre-existing or pregnancy-related maternal diabetes)
<p>Health Risks of Condition:</p> <ul style="list-style-type: none"> • Maternal complications from out-of-control blood sugar levels • Birth complications as a result of Macrosomia (large baby) including increased risk of shoulder dystocia/injury during birth. • Elevated blood sugar levels of baby post delivery • Maternal/infant morbidity and mortality associated with uncontrolled blood sugar management
<p>Costs of Conditions, Unaddressed:</p> <ul style="list-style-type: none"> • 3X more likely to require pre- and post-natal hospitalizations of mother and/or newborn than in non-diabetic population; hospitalization cost of \$4,000-\$4,300 in 2010 prices (5 years ago) • Hospital admissions of this type increased 72%-75% in last decade studied
<p>Alere Interventions:</p> <ul style="list-style-type: none"> • Intensive programs for both insulin-requiring and non-insulin-requiring mothers, to ensure compliance with the care plan approved by patient's physician • Initial in-home education/counseling regarding nature of diabetes in pregnancy, glucose monitoring, meal planning and physical activity. • Ongoing telephonic management of patients to address blood sugar trends. • Medication management with daily assessment of blood glucose and ketones through telephonic reporting • All needed insulin and supplies are delivered to home • 24/7 OB RN & Certified Diabetic Educators (CDE) access via telephone • When using insulin pump management, ongoing monitoring of patient data and remote adjustments of medication
<p>Benefits of Alere Interventions:</p> <ul style="list-style-type: none"> • Alere can save an average of \$13,000 per pregnancy in total costs of care for mother and neonate • NICU admissions alone can be reduced up to 25% • 2010 Study of pre-gestational diabetes patients (insulin-dependent) showed: <ul style="list-style-type: none"> --increase in patient compliance from 8.4% on Day 1 to 69.3% on Day 4 --27% reduction in out-of-target blood glucose levels --60% improvement in compliance with blood glucose testing protocols --47% reduction in number of Type 2 diabetes patients with A1C indicator > 6% • 2010 Outcomes Study of Alere Diabetes Program vs. conventional management in the physician's office showed the following improvements in birth complications in diabetic mothers:

- Reduction in macrosomia (large birth weight) from 13.6% to 9.6%
- Reduction in hyperbilirubinemia (increased bilirubin levels) from 17.5% to 9.2%
- Reduction in hypoglycemia from 20% to 5.6%
- Reduction respiratory complications from 6.2% to 4.2%
- Reduction in shoulder dystocia from 1.4% to 0.1% (can lead to permanent nerve damage and long term disability)
- Reduction in NICU admissions from 25% to 8%

Notes, edited and paraphrased from sources indicated:

Fetal Macrosomia: In a newborn, the risks associated with fetal macrosomia increase greatly when birth weight is more than 9 pounds 15 ounces. Fetal macrosomia can complicate vaginal delivery, putting the baby at risk of injury during birth, and at increased risk of health problems after birth. [Mayo Clinic]

Hyperbilirubinemia: Excessive bilirubin in the blood, which can produce jaundice, a yellow tint to a newborn's skin and the white part of the eyes. In newborns, in rare cases, if bilirubin levels stay high and are not treated, this condition can cause brain damage resulting in serious lifelong problems. [Tabor's Cyclopedic Medical Dictionary & WebMD]

Hypoglycemia: A deficiency of blood sugar--the most common metabolic problem in newborns. The most common symptoms are jitteriness, cyanosis (blue coloring), apnea (stopping breathing), hypothermia (low body temperature), poor body tone, poor feeding, lethargy, and seizures. Major long-term consequences can include neurologic damage resulting in mental retardation, recurrent seizure activity, developmental delay, and personality disorders. Some evidence suggests that severe hypoglycemia may impair cardiovascular function. [Tabor's & Stanford Children's Health]

Dystocia: Difficult labor. It may result from either the size of the fetus or the small size of the pelvic outlet. Shoulder dystocia occurs when a baby's head is delivered but his shoulders get stuck inside the mother's body. This creates risks for both mother and baby. The underlying condition, if not treatable in advance of delivery, can make delivery by cesarean section necessary. [March of Dimes]

<p align="center">Program: Managing Hypertension Disorders in Pregnancy</p>
<p>Health Condition(s) Addressed:</p> <ul style="list-style-type: none"> • Hypertension • Preeclampsia (formerly called “toxemia”) leading to eclampsia, a serious condition that could result in maternal and fetal morbidity and mortality
<p>Health Risks of Condition:</p> <ul style="list-style-type: none"> • Hypertension late in pregnancy can require the need for induced premature delivery of infant, potentially leading to increased neonatal cost and infant morbidity/mortality • High (25%) risk of preeclampsia with hypertension. Mothers with preeclampsia may experience rapid weight gain, abdominal pain, headaches, changes in reflexes, dizziness, vomiting, nausea, and vision changes. Uncontrolled PIH can lead to development of eclampsia/seizures.
<p>Costs of Conditions, Unaddressed:</p> <ul style="list-style-type: none"> • Longer hospital stays for mother both pre and post-partum, resulting in higher total costs of care • NICU stays for infants due to prematurity and other complications as a result of mother’s condition • Damage to organs of mother and fetus (preeclampsia)
<p>Alere Interventions:</p> <ul style="list-style-type: none"> • Initial in-home assessment and education pertaining to Pregnancy Induced Hypertension (PIH), education on use of equipment for daily blood pressure monitoring. • Intensive surveillance and support for patients at high risk of, or with, mild preeclampsia in the outpatient setting. • Identifies changes in condition that may indicate progression of hypertension with the need to re-admit to the hospital. • Daily weight, measurement of protein in urine, patient assessment/education • Twice daily fetal kick count • 24/7 OB nurse availability for telemetric monitoring of blood pressures and patient assessments as needed.
<p>Benefits of Alere Interventions:</p> <ul style="list-style-type: none"> • 2006 Study found that Alere reduced costs associated with hypertensive disorders--shortening hospital stays by 1.2 days and reducing patient costs from \$10,327 to \$4,888.

Program: Coagulation Disorders	
Health Condition(s) Addressed:	<ul style="list-style-type: none"> • Deep vein thrombosis (DVT), Factor V Leiden, Antiphospholipid Antibodies, Pulmonary Embolus, Prothrombin Mutations, Von Willebrand Disease
Health Risks of Condition:	<ul style="list-style-type: none"> • Can cause first trimester spontaneous abortions • Untreated clotting disorders can result in deep vein thrombosis and pulmonary embolism that could result in maternal death.
Costs of Conditions, Unaddressed:	<ul style="list-style-type: none"> • NA
Alere Interventions:	<ul style="list-style-type: none"> • Obstetrical Pharmacist in Regional Clinical Center manages and monitors dosing of heparin to specific patient parameters • OB RN provides and reinforces patient education regarding coagulation disorders and their various complications • Provides 24/7 opportunity for patient to triage with OB RN
Benefits of Alere Interventions:	<ul style="list-style-type: none"> • Reduces risks of maternal morbidity & mortality

Accessibility

Tennessee does not compile clinically detailed data on home health agency patients. But what is reported publicly in the Joint Annual Reports suggests that for high-risk pregnant women, there may be accessibility issues--especially for TennCare enrollees. Alere feels that one reason for this is that many home care companies are reluctant to serve them for fear of lawsuits and liabilities when pregnancies result in harm to the mother and/or the baby. Such a fear is not irrational, if the agency is not deeply experienced with this type of care.

Section C(I)5 (Utilization) later in the application contains detailed tables on the utilization of agencies in this area. In that section, Table Nine-B ranks area agencies by their percent of gross charges to TennCare patients; and Table Ten-C ranks them by the percentage of their services to women of childbearing age.

The first issue raised by the data is whether pregnant women in or out of TennCare in this service area have sufficient access to these agencies when high-risk situations develop. The JAR's do not provide data on home care patients ages 15-44; but they do provide data on patients ages 18-64--a range that covered all of Alere/Shelby's pregnant patients in 2014. Although a gender breakdown of patients 18-64 years of age is not provided in the JAR's, it is reasonable to apply a 50% assumption to generally estimate the number of female patients served in that age cohort. Using that assumption, Table Ten-C in Section C(I)5 shows that in 2014 the 1,933 service area women in this age bracket who received home care for any condition totaled only 12% of the 16,097 patients served. Agencies' service levels to these women varied between 0% and 27% (excluding one agency which served only 1 area patient in total). That in itself demonstrates the great variation of access that younger women have to these agencies. The table shows that 28 (84.8%) of the 33 licensed agencies had fewer than 20% of their area patients in this gender age group. Alere feels that a major reason for this low female service percentage at so many agencies is that they do not offer the specialized services required to serve women whose pregnancies present serious health challenges.

The second issue is that the TennCare table suggests that there is a broad lack of TennCare access to most authorized agencies in the proposed area. Approximately 25%

of the area's population is enrolled in TennCare. However, 24 of the 33 area home care agencies (72.7%) have a TennCare payor mix of only 0-10% (and 15 had zero TennCare revenues). This cannot be fully explained by reference to the large proportion of Medicare patients served relative to younger adults. In fact, of all 33 area agencies, only 3 match or exceed Alere/Shelby's TennCare payor mix of 35%--which reflects Alere's 47% TennCare population. These facts suggest that the market needs, and can accommodate, an exceptionally TennCare-accessible provider like Alere, that addresses a very small section of the total population and does not compete for most of its patients with most other home care providers.

Alere is completely accessible to TennCare patients. As explained in the application, Alere does not meet the requirements for a Medicare provider number. This results from the fact that Alere treats young, pregnant women exclusively and does not consistently maintain the minimum average patient census needed to participate in Medicare. The lack of a Medicare provider number, however, does not limit Alere's ability to work with the TennCare MCOs. No exemption or waiver from TennCare was necessary for Alere because the TennCare regulations requiring participation in Medicare in order to obtain reimbursement from TennCare do not apply to Alere.

Unlike all (or virtually all) other home health providers in Tennessee, Alere is not paid using either the TennCare or Medicare fee schedules. Indeed, many of the highly specialized services provided by Alere are not covered by either the TennCare or Medicare fee schedules. Nonetheless, the TennCare MCOs want to make these services available to their members due to the demonstrated health benefits and the significant cost savings that Alere's services make possible through sharply reduced maternal and NICU hospitalizations. To accomplish this, the TennCare MCOs independently contract with Alere on a fee-for-service basis using a negotiated fee schedule that is separate and distinct from either the TennCare or Medicare fee schedules. Under this arrangement, the MCOs pay Alere out of their own funds and do not seek reimbursement for Alere's services from TennCare. Simply stated, Alere is not paid with TennCare dollars. Nor do the MCOs submit encounter data regarding Alere's services to TennCare.

To repeat, the MCOs do not pay Alere using the TennCare or Medicare fee schedules and do not seek reimbursement for Alere's services from TennCare. In this

manner, TennCare enrollees are able to receive Alere's assistance in any county for which Alere is licensed.

A third point to note is that the low percentage of pre-Medicare adult women in the area's home health caseloads indicates that Alere's entry into these counties will not adversely impact the financial viability of existing providers as a group.

In 2014, these 33 agencies served 16,097 area patients. An estimated 1,933 were probably adult women 18-64 years of age. Alere/Shelby projects serving only 96 service area women annually in this area. Alere believes that many of these patients would not otherwise be receiving its type of home care from any existing agency. But even in the implausible event that all 96 would be taken from existing agency caseloads, that impact would equate to less than *six-tenths of one percent* of all agencies' combined area patients in 2014. This could not reasonably be viewed as a significant impact, from an areawide planning perspective.

Support from Referral Sources

When Alere/Shelby was granted CON approval in 1998 to expand from a home medical equipment provider to a home health agency for high-risk pregnant women, physicians and insurers wrote strong letters of support for Alere, citing its high quality, high dependability, and the area's need for Alere's services. Alere is currently requesting letters of support from physicians and insurers whose patients in the proposed service area have these home care needs. Support letters received as of the time of this filing are in the "Letters of Support" section in the Attachments to the application. They include the Mid-South Maternal/Fetal Medicine practice (one of whose physicians is Director of Perinatal Services at Jackson-Madison General Hospital), Mid-South Perinatal Associates, the Jackson Regional Women's Center group, Surgical Associates of Martin, BlueCare Tennessee, and Amerigroup.

B.II.D. DESCRIBE THE NEED TO CHANGE LOCATION OR REPLACE AN EXISTING FACILITY.

Not applicable.

B.II.E. DESCRIBE THE ACQUISITION OF ANY ITEM OF MAJOR MEDICAL EQUIPMENT (AS DEFINED BY THE AGENCY RULES AND THE STATUTE) WHICH EXCEEDS A COST OF \$2.0 MILLION; AND/OR IS A MAGNETIC RESONANCE IMAGING SCANNER (MRI), POSITRON EMISSION TOMOGRAPHY (PET) SCANNER, EXTRACORPOREAL LITHOTRIPTER AND/OR LINEAR ACCELERATOR BY RESPONDING TO THE FOLLOWING:

1. For fixed site major medical equipment (not replacing existing equipment):
 - a. Describe the new equipment, including:
 1. Total Cost (As defined by Agency Rule);
 2. Expected Useful Life;
 3. List of clinical applications to be provided; and
 4. Documentation of FDA approval.
 - b. Provide current and proposed schedule of operations.
2. For mobile major medical equipment:
 - a. List all sites that will be served;
 - b. Provide current and/or proposed schedule of operations;
 - c. Provide the lease or contract cost;
 - d. Provide the fair market value of the equipment; and
 - e. List the owner for the equipment.
3. Indicate applicant's legal interest in equipment (e.g., purchase, lease, etc.) In the case of equipment purchase, include a quote and/or proposal from an equipment vendor, or in the case of an equipment lease provide a draft lease or contract that at least includes the term of the lease and the anticipated lease payments.

Not applicable. The project contains no major medical equipment.

B.III.A. ATTACH A COPY OF THE PLOT PLAN OF THE SITE ON AN 8-1/2" X 11" SHEET OF WHITE PAPER WHICH MUST INCLUDE:

1. SIZE OF SITE (IN ACRES);
2. LOCATION OF STRUCTURE ON THE SITE;
3. LOCATION OF THE PROPOSED CONSTRUCTION; AND
4. NAMES OF STREETS, ROADS OR HIGHWAYS THAT CROSS OR BORDER THE SITE.

PLEASE NOTE THAT THE DRAWINGS DO NOT NEED TO BE DRAWN TO SCALE. PLOT PLANS ARE REQUIRED FOR ALL PROJECTS.

A site plan is not applicable. This application requests additional counties for the service area of an existing home health agency.

B.III.B.1. DESCRIBE THE RELATIONSHIP OF THE SITE TO PUBLIC TRANSPORTATION ROUTES, IF ANY, AND TO ANY HIGHWAY OR MAJOR ROAD DEVELOPMENTS IN THE AREA. DESCRIBE THE ACCESSIBILITY OF THE PROPOSED SITE TO PATIENTS/CLIENTS.

For home care, the site of service is the patient's home. The sites for this project will be in sixteen proposed West Tennessee counties. Alere/Shelby will assure accessibility to care by employing OB RN's who reside in, or within reasonable drive times of, these proposed counties.

Table Two on the following page shows the principal cities in each proposed county, and identifies one or more *alternative* counties that are accessible to each proposed county. Alere field staff may be recruited in either the proposed county or the listed alternative accessible counties.

Table Three on the second following page shows drive times from principal cities in the *alternative accessible* counties, to principal cities in the proposed counties. (Drive times between points within the proposed counties themselves are not included because good access can be assumed within any one county.)

Alere's staffing chart in a later section of this application projects only a few additional nursing FTE's to care for a small annual patient population. The staffing chart projects the total cumulative FTE's that will be used, while also noting the total number of individual nurses who will be under contract and available when called upon. The OB RN pool will be structured to ensure backup OB RN availability for the times when the OB RN closest to a patient's residence becomes temporarily unavailable.

Table Two: Alere Field Staff Accessibility to Proposed Service Area

Proposed Counties In Which Field Staff Exist* or May be Recruited		Alternative Accessible Counties Where Field Staff Exist* or May be Recruited
County	Principal City	Counties
Benton	Camden	Gibson*
Carroll	McKenzie	Gibson*
Chester	Henderson	Madison
Crockett	Humboldt	Gibson*
Decatur	Decaturville	Madison, Perry
Dyer	Dyersburg	Gibson*
Gibson*	Milan	Madison
Hardin	Savannah	Perry
Henderson	Lexington	Madison
Henry	Paris	Gibson*
Lake	Tiptonville	Gibson*
McNairy	Selmer	Madison
Obion	Union City	Gibson*
Perry	Linden	Gibson*
Wayne	Waynesboro	Perry
Weakley	Martin	Gibson*

Source: Alere/Shelby management.

Note: Alere/Shelby may recruit field staff residing in the proposed service area counties (first column in table) and/or field staff residing in accessible nearby counties (third column). Asterisks denote counties where staff are already identified as available to Alere from past work experience.

The accessibility in drive time between potential staff locations and the principal city in each proposed county is shown in the following table.

Table Three: Mileage and Drive Times Between Alere Field Staff and Major Communities in the 22-County Primary Service Area			
Principal Cities in Proposed New Service Area Counties	Alternative Accessible Cities Where Field Staff Already Exist or May be Recruited	Distance in Miles	Drive Time in Minutes
Camden (Benton)	Milan (Gibson)	42.8	58 min.
McKenzie (Carroll)	Milan (Gibson)	20.8	29 min.
Henderson (Chester)	Jackson (Madison)	17.3	25 min.
Humboldt (Crockett)	Milan (Gibson)	12.0	21 min.
Decaturville (Decatur)	Jackson (Madison)	49.2	61 min.
Dyersburg (Dyer)	Milan (Gibson)	38.4	48 min.
Milan (Gibson)	Jackson (Madison)	25.8	37 min.
Savannah (Hardin)	Linden (Perry)	43.2	61 min.
Lexington (Henderson)	Jackson (Madison)	27.2	36 min.
Paris (Henry)	Milan (Gibson)	47.4	62 min.
Tiptonville (Lake)	Milan (Gibson)	65.3	77 min.
Selmer (McNairy)	Jackson (Madison)	36.3	42 min.
Union City (Obion)	Milan (Gibson)	45.5	53 min.
Linden (Perry)	Jackson (Madison)	60.4	77 min.
Waynesboro (Wayne)	Linden (Perry)	29.0	37 min.
Martin (Weakley)	Milan (Gibson)	31.3	36 min.

Source: Google Maps, November 2015

Note: Alere/Shelby may recruit field staff within the proposed service area counties (first column in table) or, as an alternative, within an accessible nearby county (second column).

B.IV. ATTACH A FLOOR PLAN DRAWING FOR THE FACILITY WHICH INCLUDES PATIENT CARE ROOMS (NOTING PRIVATE OR SEMI-PRIVATE), ANCILLARY AREAS, EQUIPMENT AREAS, ETC.

See attachment B.IV.

IV. FOR A HOME CARE ORGANIZATION, IDENTIFY

- 1. EXISTING SERVICE AREA (BY COUNTY);**
- 2. PROPOSED SERVICE AREA (BY COUNTY);**
- 3. A PARENT OR PRIMARY SERVICE PROVIDER;**
- 4. EXISTING BRANCHES AND/OR SUB-UNITS; AND**
- 5. PROPOSED BRANCHES AND/OR SUBUNITS.**

Not applicable. The application is not for a home care organization.

C(I) NEED

C(I).1. DESCRIBE THE RELATIONSHIP OF THIS PROPOSAL TO THE IMPLEMENTATION OF THE STATE HEALTH PLAN AND TENNESSEE'S HEALTH: GUIDELINES FOR GROWTH.

A. PLEASE PROVIDE A RESPONSE TO EACH CRITERION AND STANDARD IN CON CATEGORIES THAT ARE APPLICABLE TO THE PROPOSED PROJECT. DO NOT PROVIDE RESPONSES TO GENERAL CRITERIA AND STANDARDS (PAGES 6-9) HERE.

B. APPLICATIONS THAT INCLUDE A CHANGE OF SITE FOR A HEALTH CARE INSTITUTION, PROVIDE A RESPONSE TO GENERAL CRITERION AND STANDARDS (4)(a-c).

Guidelines for Growth 2000: Project-Specific Guidelines
Home Health Services

- 1. The need for home health agencies/services shall be determined on a county by county basis.**
- 2. In a given county, 1.5 percent of the total population will be considered as the need estimate for home health services that county. The 1.5 percent formula will be applied as a general guideline, as a means of comparison within the proposed service area.**
- 3. Using recognized population sources, projections for four years into the future will be used.**
- 4. The use rate of existing home health agencies in the county will be determined by examining the latest utilization rate as calculated in the Joint Annual Report of existing home health agencies in the service area.**

This projection is now done by the Tennessee Department of Health (TDH). The most current version is a 2014-2019 projection of need, by county. The TDH projections for the proposed service area are attached on the following page. None of these 16 counties is projected to have an unmet need for additional home healthcare services.

However, that projection is not relevant to this project. The projection methodology is for all types of home health needs and it uses a 1.5% planning factor for an entire county population. By contrast, this Alere project deals with only the female population of childbearing age, and within that group only the high-risk pregnancies.

December 18, 2015

Joint Annual Report of Home Health Agencies - 2014 Final
Comparison of Population Based Need Projection vs. Actual Utilization (2019 vs. 2014)**

Service Area	Agencies Licensed to Serve	Agencies Report Serving	Total Patients Served	Estimated 2014 Pop.	Use Rate	Projected 2019 Pop.	Projected Capacity	Projected Need (.015 x 2019 Pop.)	Need or (Surplus) for 2019
Benton	11	11	636	16,624	0.0382579403	16,727	640	251	(389)
Carroll	14	15	1,333	28,458	0.0468409586	28,258	1,324	424	(900)
Chester	13	14	640	17,888	0.0357781753	18,811	673	282	(391)
Crockett	11	11	557	14,799	0.0376376782	15,038	566	226	(340)
Decatur	14	14	639	11,907	0.0536659108	12,059	647	181	(466)
Dyer	10	10	2,064	38,996	0.0529285055	39,736	2,103	596	(1,507)
Gibson	15	16	1,885	50,841	0.0370763754	52,184	1,935	783	(1,152)
Hardin	14	15	1,221	26,401	0.0462482482	26,743	1,237	401	(836)
Henderson	11	13	1,079	28,844	0.0374081265	30,072	1,125	451	(674)
Henry	10	10	1,253	33,083	0.0378744370	33,922	1,285	509	(776)
Lake	6	5	411	8,152	0.0504170756	8,513	429	128	(302)
McNairy	14	14	1,354	26,846	0.0504358191	27,625	1,393	414	(979)
Obion	11	10	1,220	31,747	0.0384288279	31,600	1,214	474	(740)
Perry	10	8	299	8,154	0.0366691195	8,414	309	126	(182)
Wayne	11	9	818	17,298	0.0472887039	17,598	832	264	(568)
Weakley	14	14	1,366	35,714	0.0382483060	36,355	1,391	545	(845)
Service Area	189	189	16,775	395,752		403,655	17,103	6,055	(11,047)

*Most recent year of Joint Annual Report data for Home Health Agencies

**Data is projected four years from the year the Home Health data was finalized, not the actual year of Home Health data.

Population Data Source: The University of Tennessee Center for Business and Economic Research (UTCBER) Projection Data Files, reassembled by the Tennessee Department of Health, Division of Policy, Planning and Assessment.

Note: Population data will not match the UTCBER data exactly due to rounding.

The State Health Plan and the Guidelines for Growth appropriately focus on home health needs in general, for an entire population; but this project should not be reviewed only under an irrelevant criterion. Other criteria in the Guidelines recognize the need to give weight to local physician expressions of need and to types of care that are not otherwise available to the entire service area.

5. Documentation from referral sources:

a. The applicant shall provide letters of intent from physicians and other referral sources pertaining to patient referral.

Please see the "Letters of Support" Attachment to this application. After submittal of this application, the applicant will seek to provide additional letters of referral support from physicians and nurses who make home health referrals, as well as from insurer organizations.

b. The applicant shall provide information indicating the types of cases physicians would refer to the proposed home health agency and the projected number of cases by service category to be provided in the initial year of operation.

Table Four below provides Alere's estimate of its Year One case composition from a clinical perspective.

Table Four: Estimated Year One Composition of Cases By Clinical Need Alere Women's and Children's Health / Shelby County	
Type of Patient	Number of Patients
Preterm Education, Nursing Surveillance, & 17P Administration	42
Nausea and Vomiting in Pregnancy	7
Diabetes in Pregnancy	6
Hypertension Disorders in Pregnancy	3
Coagulation Disorders in Pregnancy	1
Total Projected Patients, Year One	59 (100%)

Source: Alere management.

c. The applicant shall provide letters from potential patients or providers in the proposed service area that state they have attempted to find appropriate home health services but have not been able to secure such services.

These are being gathered by the applicant for submission under separate cover.

d. The applicant shall provide information concerning whether a proposed agency would provide services different from those services offered by existing agencies.

This information is discussed above in Section B.II.C. The applicant is a national leader in the provision of comprehensive and specialized care to high-risk pregnant women and their fetuses/newborns. The expertise, continuity, and effectiveness of Alere's maternal/infant care programs are not equaled by any other provider. There is no other provider now in the service area with such a focused or experienced care program for this very vulnerable patient population. Few of the currently authorized providers are as accessible to high-risk pregnant patients--particularly TennCare patients--as is Alere.

6. The proposed charges shall be reasonable in comparison with those of other similar facilities in the service area or in adjoining service areas.

a. The average cost per visit by service category shall be listed.

b. The average cost per patient based upon the projected number of visits per patients shall be listed.

Table Five-A below provides information on the average costs and charges by patients, hours, and visits, as reported by a random sampling of home care agencies who now operate in this service area. However, they do not allow a meaningful comparison to Alere's cost and charge structure. Alere negotiates with all its insurers, including Medicaid MCO's, a comprehensive "bundled" rate that covers all Alere services. Those negotiated rates vary; they are proprietary and confidential. Alere does not have separate costs, or charges, that are identifiable for "hours" or "visits". The Alere information in Table Five-B below is Alere/Shelby's calculated average gross charge per patient, derived from the applicant's Projected Data Chart. Alere's only field staff are OB RN's and their services are skilled nursing under the JAR format.

December 16, 2015**4:08 pm**

Table Five-A: 2014 Costs & Charges (Gross Revenues) of Selected Agencies in the Service Area For All Disciplines (Except Cost/Visit)				
Agency*	Cost Per Skilled Nursing Visit	Gross Revenue Per Unduplicated Patient	Gross Revenue Per Visit	Gross Revenue Per Hour
1	\$91	\$3,161	\$174.13	\$103.80
2	\$164	\$2,262	\$137.60	NA
3	\$175	\$2,343	\$159.28	NA
4	\$114	\$5,274	\$166.52	NA
5	\$175	\$4,092	\$165.05	NA
6	\$96	\$4,322	\$163.72	NA
7	\$88	\$4,116	\$159.68	\$65.87
Alere/Shelby Year One	NR	\$6,843	NR	NR

Source: 2014 Joint Annual Reports; and Alere management.

*Key to Agencies:

1. Careall Homecare Services, Maury County
2. Magnolia Regional Health Care, Alcorn Co., Mississippi
3. Maury Regional Home Services, Maury County
4. NHC Homecare, Fayette County
5. NHC Homecare, Gibson County
6. NHC Homecare, Maury County
7. Volunteer Home Care, Gibson County

Table Five-B: Alere/Shelby's Average Charges (Gross Revenue) Per Unduplicated Patient (All Counties)		
	CY2014	Year Two
Total Unduplicated Patients	406	489
Gross Charges, All Services	\$3,145,035	\$3,346,364
Total Gross Revenue Per Patient	\$7,746	\$6,843

Source: Alere management.

The Framework for Tennessee's Comprehensive State Health Plan

Five Principles for Achieving Better Health

The following Five Principles for Achieving Better Health serve as the basic framework for the State Health Plan. After each principle, the applicant states how this CON application supports the principle, if applicable.

1. Healthy Lives

The purpose of the State Health Plan is to improve the health of Tennesseans.

Every person's health is the result of the interaction of individual behaviors, society, the environment, economic factors, and our genetic endowment. The State Health Plan serves to facilitate the collaboration of organizations and their ideas to help address health at these many levels.

The purpose of this project is to provide specialized health services to high-risk pregnant women, under the medical direction of patient physicians. The coordinated efforts of Alere's specialized OB RN's with the patients' physicians will reduce the suffering and costs of maternal and fetal/newborn health problems in the project service area.

2. Access to Care

Every citizen should have reasonable access to health care.

Many elements impact one's access to health care, including existing health status, employment, income, geography, and culture. The State Health Plan can provide standards for reasonable access, offer policy direction to improve access, and serve a coordinating role to expand health care access.

The project will increase the access of service area women, including TennCare enrollees, to cost-effective specialized services that enhance the health of mothers and babies and reduce the costs of their care during high-risk pregnancies.

3. Economic Efficiencies

The state's health care resources should be developed to address the needs of Tennesseans while encouraging competitive markets, economic efficiencies and the continued development of the state's health care system. The State Health Plan should work to identify opportunities to improve the efficiency of the state's health care system and to encourage innovation and competition.

The project is intended to provide broader accessibility to Alere's cost-effective and health-enhancing programs of maternal/fetal home care. The project will provide leadership in setting standards of care for pregnant women in the service area. It will improve efficiency of care by reducing the need for distressed pregnant women to seek

care in expensive emergency rooms or hospital beds, when that can be avoided by skillful home care incorporating 24/7 telephonic support and constant monitoring by skilled clinicians.

4. Quality of Care

Every citizen should have confidence that the quality of health care is continually monitored and standards are adhered to by health care providers. Health care providers are held to certain professional standards by the state's licensure system. Many health care stakeholders are working to improve their quality of care through adoption of best practices and data-driven evaluation.

The applicant is licensed in Tennessee and is fully Joint-Commission accredited. Alere has earned the Joint Commission's Gold Seal ranking for the excellence of its programs.

5. Health Care Workforce

The state should support the development, recruitment, and retention of a sufficient and quality health care workforce. The state should consider developing a comprehensive approach to ensure the existence of a sufficient, qualified health care workforce, taking into account issues regarding the number of providers at all levels and in all specialty and focus areas, the number of professionals in teaching positions, the capacity of medical, nursing, allied health and other educational institutions, state and federal laws and regulations impacting capacity programs, and funding.

The project is a home care service, not a facility; as such it is not involved in the rotational training of health professionals.

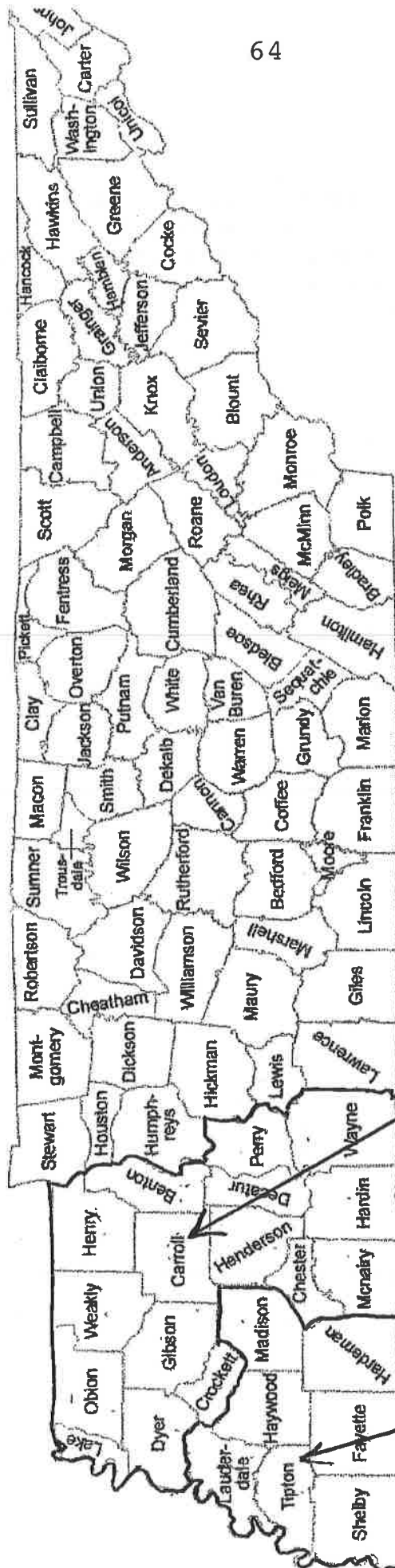
C(I).2. DESCRIBE THE RELATIONSHIP OF THIS PROJECT TO THE APPLICANT'S LONG-RANGE DEVELOPMENT PLANS, IF ANY.

Alere hopes to expand into all Tennessee counties, including the least populous and lowest-income counties. This application, if successful, will authorize Alere to serve all of West Tennessee.

C(1).3. IDENTIFY THE PROPOSED SERVICE AREA AND JUSTIFY THE REASONABLENESS OF THAT PROPOSED AREA. SUBMIT A COUNTY-LEVEL MAP INCLUDING THE STATE OF TENNESSEE CLEARLY MARKED TO REFLECT THE SERVICE AREA. PLEASE SUBMIT THE MAP ON A 8-1/2" X 11" SHEET OF WHITE PAPER MARKED ONLY WITH INK DETECTABLE BY A STANDARD PHOTOCOPIER (I.E., NO HIGHLIGHTERS, PENCILS, ETC.).

The proposed service area consists of 16 West Tennessee counties. They are Benton, Carroll, Chester, Crockett, Decatur, Dyer, Gibson, Hardin, Henderson, Henry, Lake, McNairy, Obion, Perry, Wayne, and Weakley.

A service area map showing the location of the service within the State of Tennessee is provided after this page, and also in Attachment C, Need--3 at the back of the application.



PROPOSED ADDITIONAL COUNTIES

CURRENT
COUNTIES

ALERE WOMEN'S AND CHILDREN'S HEALTH / SHELBY COUNTY

CURRENT AND PROPOSED SERVICE AREA

C(I).4.A DESCRIBE THE DEMOGRAPHICS OF THE POPULATION TO BE SERVED BY THIS PROPOSAL.

Please see Table Six following this page.

The service area population is more aged than the State, having a median age of 41.0 years compared to the State's 38.0 years.

The service area's population of women of childbearing age (15-44) is 18.2% of its total population, changing to 18.3% by 2019. From 2015 to 2019, it will increase 1.3% in size, faster than the 1.0% increase in the total area population but slower than the State average of 3.7%.

The service area counties' median household income is approximately 20% lower than the Tennessee State average: \$35,611 compared to \$44,298. The service area's TennCare enrollment is 25.3% of total population, compared to 22% Statewide. Its percent of population living below the poverty line is 19.9%, higher than the Statewide average of 17.6%.

**Table Six: Demographic Characteristics of Project Service Area
Alere Shelby County--Proposed Additional Counties
2015-2019**

Primary Service Area	Demographic Characteristics														
	County	Median Age 2010 Census	Female 15-44 Population 2015	Female 15-44 Population 2019	Female 15-44 Population % Change 2015 - 2019	Total Population 2015	Total Population 2019	Total Population % Change 2015 - 2019	Female 15-44 Population % of Total Population 2015	Female 15-44 Population % of Total Population 2019	Median Household Income	TennCare Enrollees Sept 2015	Percent of 2015 Population Enrolled in TennCare	Persons Below Poverty Level 2015	Persons Below Poverty Level as % of Population US Census
	Benton	45.4	2,600	2,596	-0.2%	16,208	16,071	-0.8%	16.0%	16.2%	\$33,033	4,150	25.6%	2,496	15.4%
	Carroll	42.0	4,984	4,958	-0.5%	28,012	27,781	-0.8%	17.8%	17.8%	\$35,049	7,766	27.7%	5,630	20.1%
	Chester	36.2	3,898	4,059	4.1%	17,593	18,151	3.2%	22.2%	22.4%	\$41,875	3,929	22.3%	3,501	19.9%
	Crockett	39.6	2,775	2,860	3.1%	14,611	14,715	0.7%	19.0%	19.4%	\$36,066	4,019	27.5%	2,761	18.9%
	Decatur	44.3	1,995	2,134	7.0%	11,883	12,156	2.3%	16.8%	17.6%	\$36,258	2,899	24.4%	2,686	22.6%
	Dyer	39.3	7,287	7,270	-0.2%	38,246	38,482	0.6%	19.1%	18.9%	\$38,953	10,719	28.0%	6,808	17.8%
	Gibson	39.9	9,703	10,052	3.6%	51,412	52,350	1.8%	18.9%	19.2%	\$38,343	13,333	25.9%	9,614	18.7%
	Hardin	43.5	4,345	4,368	0.5%	26,075	26,310	0.9%	16.7%	16.6%	\$33,622	7,266	27.9%	5,893	22.6%
	Henderson	39.7	5,253	5,255	0.0%	28,279	28,743	1.6%	18.6%	18.3%	\$38,280	7,229	25.6%	5,316	18.8%
	Henry	44.3	5,418	5,514	1.8%	32,766	33,015	0.8%	16.5%	16.7%	\$36,950	8,137	24.8%	6,291	19.2%
	Lake	38.3	908	874	-3.7%	9,676	9,411	-2.7%	9.4%	9.3%	\$27,115	2,230	23.0%	3,067	31.7%
	McNairy	41.6	4,702	4,961	5.5%	26,755	27,509	2.8%	17.6%	18.0%	\$33,452	7,798	29.1%	6,047	22.6%
	Obion	41.4	5,744	5,673	-1.2%	31,365	31,218	-0.5%	18.3%	18.2%	\$39,467	7,975	25.4%	5,614	17.9%
	Perry	43.1	1,250	1,213	-3.0%	8,025	8,103	1.0%	15.6%	15.0%	\$32,845	2,094	26.1%	1,693	21.1%
	Wayne	40.9	2,539	2,523	-0.6%	16,815	16,691	-0.7%	15.1%	15.1%	\$33,198	3,425	20.4%	3,397	20.2%
	Weakley	37.0	8,780	8,786	0.1%	38,790	39,709	2.4%	22.6%	22.1%	\$35,273	7,461	19.2%	8,107	20.9%
	Primary Serv. Area	41.0	72,181	73,096	1.3%	396,511	400,415	1.0%	18.2%	18.3%	\$35,611	100,430	25.3%	78,922	19.9%
	State of Tennessee	38.0	1,306,684	1,337,422	2.4%	6,649,438	6,894,997	3.7%	19.7%	19.4%	\$44,298	1,461,025	22.0%	1,170,301	17.6%

Sources: TDH Population Projections, May 2013; U.S. Census QuickFacts; TennCare Bureau.

C(I).4.B. DESCRIBE THE SPECIAL NEEDS OF THE SERVICE AREA POPULATION, INCLUDING HEALTH DISPARITIES, THE ACCESSIBILITY TO CONSUMERS, PARTICULARLY THE ELDERLY, WOMEN, RACIAL AND ETHNIC MINORITIES, AND LOW-INCOME GROUPS. DOCUMENT HOW THE BUSINESS PLANS OF THE FACILITY WILL TAKE INTO CONSIDERATION THE SPECIAL NEEDS OF THE SERVICE AREA POPULATION.

Pregnancy risks have a higher incidence rate among low-income women than among all women of that age group. So financial accessibility to care becomes an important issue for women whose pregnancies put them and their babies at risk. The applicant, Alere/Shelby County, is completely accessible to low-income TennCare mothers. In 2014, 47% of its Tennessee patients were TennCare enrollees. The Alere agency's 35% TennCare payor mix (2014 JAR) was almost twice as high as the average TennCare payor mix of 19.4% for the 33 home care agencies working in this service area. Twenty-four of them (72.7%) had a 10% or lower TennCare payor mix--and 15 of those 24 had zero TennCare revenues. To put that in perspective, more than one in four of the area's residents are currently enrolled in TennCare.

Alere will also remedy a common problem among home care agencies, which is a reluctance to serve many (or any) high-risk pregnant patients regardless of patient insurance--due to limited expertise in this highly specialized field and due to the heightened legal liability that can be involved with treating such patients. Due to its exclusive focus on this one type of patient, its years of experience with their special needs, and its excellent history of success in delivering effective care that reduces bad outcomes for mothers and babies at risk, Alere is uniquely positioned to handle these cases. It will vigorously pursue service to this underserved segment of the population, to the benefit not only of patients but also to those who pay the costs of care for their pregnancies and their newborns.

C(I).5. DESCRIBE THE EXISTING OR CERTIFIED SERVICES, INCLUDING APPROVED BUT UNIMPLEMENTED CON'S, OF SIMILAR INSTITUTIONS IN THE SERVICE AREA. INCLUDE UTILIZATION AND/OR OCCUPANCY TRENDS FOR EACH OF THE MOST RECENT THREE YEARS OF DATA AVAILABLE FOR THIS TYPE OF PROJECT. BE CERTAIN TO LIST EACH INSTITUTION AND ITS UTILIZATION AND/OR OCCUPANCY INDIVIDUALLY....

The applicant has prepared the following tables showing utilization of home care providers that are currently licensed in one or more of the proposed service area counties. Some are provided immediately after this page. Others that are very long, or are "base tables" used in preparing other tables, are in the "Miscellaneous" attachment at the back of the application as noted below.

Tables Seven-A & B: The agencies currently licensed for one or more of this project's proposed service area counties, by State ID (Seven-A) and by agency name (Seven-B).

Table Seven-C (See Attachments): By State ID number and county--The agencies that are licensed to serve *each* of the 23 project service area counties.

Tables Eight-A & B: Each licensed agency's 2012-2014 patient utilization, 2014 patients served in project service area counties, and licensure data, by State ID (Eight-A) and by Agency Name (Eight-B).

Tables Nine-A, B, & C: Each licensed agency's TennCare payor mix, by State ID (Nine-A), by Agency Name (Nine-B), and by payor mix percentage (Nine-C).

Table Ten-A, B, C, & D: Each licensed agency's dependence on the counties in the project service area, from three perspectives: agency dependence on patients from those counties; and agency dependence (locally and Statewide) on women of childbearing age in those counties. For example, an agency with a large geographic service area may derive 25% of its utilization *within this service area* from the area's women of childbearing age --but at the same time those service area women may amount to only 1% of the agency's total patients Statewide (i.e., in all its authorized counties).

Base Tables 1-2 (See Attachments): Provides the agency utilization statistics and county-level utilization data used to compile statistics in the other Tables.

**Table Seven-A: HHA's Licensed to Serve in Additional Area Requested by
Alere Shelby County--BY STATE ID**

Health Statistics ID	Agency Home County	Agency
03025	Benton	Tennessee Quality Homecare - Northwest
09065	Carroll	Baptist Memorial Home Care & Hospice
19494	Davidson	Elk Valley Health Services Inc
19544	Davidson	Home Care Solutions, Inc
19694	Davidson	Willowbrook Home Health Care Agency
19724	Davidson	Careall
20045	Decatur	Tennessee Quality Homecare - Southwest
20055	Decatur	Volunteer Homecare of West Tennessee
23035	Dyer	Regional Home Care - Dyersburg
24026	Fayette	NHC Homecare
27025	Gibson	NHC Homecare
27085	Gibson	Volunteer Home Care, Inc
33103	Hamilton	Amedisys Home Health
36025	Hardin	Deaconess Homecare
36035	Hardin	Hardin Medical Center Home Health
39035	Henderson	Regional Home Care - Lexington
40075	Henry	Henry County Medical Center Home Health
41034	Hickman	St. Thomas Home Health
57055	Madison	Medical Center Home Health
57075	Madison	Amedisys Home Health Care
57085	Madison	Regional Home Care - Jackson
57095	Madison	Extendicare Home Health of West Tennessee
57165	Madison	F. C. of Tennessee, Inc.
60024	Maury	NHC Homecare
60044	Maury	Maury Regional Home Services
60074	Maury	Careall Homecare Services
66035	Obion	Extendicare Home Health of Western Tennessee
79316	Shelby	Methodist Alliance Home Care
84046	Tipton	Baptist Home Care & Hospice - Covington
92025	Weakley	Careall Homecare Services
94084	Williamson	Vanderbilt HC Affiliated w/Walgreens IV & RT Svcs
96010	Alcorn Co, MS	Magnolia Regional Health Care Home Hospice
96020	Fulton Co, KY	Regional Home Care Parkway

**Table Seven-B: HHA's Licensed to Serve in Additional Area Requested by
Alere Shelby County--BY NAME**

Health Statistics ID	Agency Home County	Agency
33103	Hamilton	Amedisys Home Health
57075	Madison	Amedisys Home Health Care
84046	Tipton	Baptist Home Care & Hospice - Covington
09065	Carroll	Baptist Memorial Home Care & Hospice
19724	Davidson	Careall
60074	Maury	Careall Homecare Services
92025	Weakley	Careall Homecare Services
36025	Hardin	Deaconess Homecare
19494	Davidson	Elk Valley Health Services Inc
57095	Madison	Extendicare Home Health of West Tennessee
66035	Obion	Extendicare Home Health of Western Tennessee
57165	Madison	F. C. of Tennessee, Inc.
36035	Hardin	Hardin Medical Center Home Health
40075	Henry	Henry County Medical Center Home Health
19544	Davidson	Home Care Solutions, Inc
96010	Alcorn Co, MS	Magnolia Regional Health Care Home Hospice
60044	Maury	Maury Regional Home Services
57055	Madison	Medical Center Home Health
79316	Shelby	Methodist Alliance Home Care
24026	Fayette	NHC Homecare
27025	Gibson	NHC Homecare
60024	Maury	NHC Homecare
23035	Dyer	Regional Home Care - Dyersburg
57085	Madison	Regional Home Care - Jackson
39035	Henderson	Regional Home Care - Lexington
96020	Fulton Co, KY	Regional Home Care Parkway
41034	Hickman	St. Thomas Home Health
03025	Benton	Tennessee Quality Homecare - Northwest
20045	Decatur	Tennessee Quality Homecare - Southwest
94084	Williamson	Vanderbilt HC Affiliated w/Walgreens IV & RT Svcs
27085	Gibson	Volunteer Home Care, Inc
20055	Decatur	Volunteer Homecare of West Tennessee
19694	Davidson	Willowbrook Home Health Care Agency

Table Eight-A: Patients Served by Home Health Agencies Licensed in Alere Shelby's Proposed Counties--BY STATE ID

Health Statistics ID Number	County of Parent Office	Home Health Agency Name	Agency License Number	Date Agency Licensed	2012 JAR Total Patients Served In TN	2013 JAR Total Patients Served In TN	2014 JAR Total Patients Served In TN	2014 Total Patients Served In Alere's Proposed 16-County Service Area
03025	Benton	Tennessee Quality Homecare - Northwest	8	3/14/83	1,128	1,164	1,173	477
09065	Carroll	Baptist Memorial Home Care & Hospice	19	7/3/84	213	262	283	268
19494	Davidson	Elk Valley Health Services Inc	42	7/17/84	245	277	293	61
19544	Davidson	Home Care Solutions, Inc (LHC HomeCare of TN)	56	9/7/88	2,080	1,930	1,689	0
19694	Davidson	Willowbrook Home Health Care Agency	259	10/29/81	2,149	1,565	1,283	0
19724	Davidson	Careall (VIP Home Nursing & Rehab Svc, LLC)	295	7/5/84		1,562	1,665	0
20045	Decatur	Tennessee Quality Homecare - Southwest	221	3/19/84	1,082	1,080	988	569
20055	Decatur	Volunteer Homecare of West Tennessee	63	6/11/84	1,503	1,534	1,794	1,464
23035	Dyer	Regional Home Care - Dyersburg	77	2/18/84	814	707	1,452	1,241
24026	Fayette	NHC Homecare	291	6/6/83	217	226	301	10
27025	Gibson	NHC Homecare	85	2/7/77	625	569	655	506
27085	Gibson	Volunteer Home Care, Inc	285	5/26/82	3,027	3,041	2,995	2,198
33103	Hamilton	Amedisys Home Health	113	7/1/81	3,343	2,878	2,564	0
36025	Hardin	Deaconess Homecare	290	2/11/83	1,244	1,330	2,122	1,713
36035	Hardin	Hardin Medical Center Home Health	137	12/20/93	274	341	205	205
39035	Henderson	Regional Home Care - Lexington	139	2/1/84	616	569	582	580
40075	Henry	Henry County Medical Center Home Health	122	12/7/84	399	363	408	406
41034	Hickman	St. Thomas Home Health	125	6/1/84	134	214	311	15
57055	Madison	Medical Center Home Health	174	7/1/76	1,617	1,706	1,098	508
57075	Madison	Amedisys Home Health Care	177	5/2/84	2,586	2,741	2,541	1,725
57085	Madison	Regional Home Care - Jackson	178	6/7/84	1,061	1,164	1,863	957
57095	Madison	Extendicare Home Health of West Tennessee	120	6/18/84	993	1,085	832	360
57165	Madison	F. C. of Tennessee, Inc. (Intrepid)	175	9/26/84	86	422	507	246
60024	Maury	NHC Homecare	181	11/22/77	2,134	2,408	2,591	27
60044	Maury	Maury Regional Home Services	180	5/31/84	1,220	1,151	1,553	11
60074	Maury	Careall Homecare Services	194	2/9/84	224	609	881	232
66035	Obion	Extendicare Home Health of Western Tennessee	188	5/3/84	347	302	119	119
79316	Shelby	Methodist Alliance Home Care	233	7/1/88	3,180	3,179	3,363	0
84046	Tipton	Baptist Home Care & Hospice - Covington	260	9/26/84	361	353	323	0
92025	Weakley	Careall Homecare Services	276	6/16/83	2,668	2,036	2,337	2,124
94084	Williamson	Vanderbilt HC Affiliated w/Walgreens IV & RT Svcs	604	9/15/00	86	67	135	1
96010	Alcorn Co, MS	Magnolia Regional Health Care Home Hospice	296	3/24/82	915	856	830	35
96020	Fulton Co, KY	Regional Home Care Parkway	297	2/18/84	14	28	39	39
AREAWIDE TOTALS AND AVERAGES					36,585	37,719	39,775	16,097

Source: TDH; 2014 Joint Annual Reports of Home Health Agencies

Table Eight-B: Patients Served by Home Health Agencies Licensed in Alere Shelby's Proposed Counties--BY NAME

Health Statistics ID Number	County of Parent Office	Home Health Agency Name	Agency License Number	Date Agency Licensed	2012 JAR Total Patients Served in TN	2013 JAR Total Patients Served in TN	2014 JAR Total Patients Served in TN	2014 Total Patients Served in Alere's Proposed 16-County Service Area
33103	Hamilton	Amedisys Home Health	113	7/1/81	3,343	2,878	2,564	0
57075	Madison	Amedisys Home Health Care	177	5/2/84	2,586	2,741	2,541	1,725
84046	Tipton	Baptist Home Care & Hospice - Covington	260	9/26/84	361	353	323	0
09065	Carroll	Baptist Memorial Home Care & Hospice	19	7/3/84	213	262	283	268
19724	Davidson	Careall (VIP Home Nursing & Rehab Svc, LLC)	295	7/5/84		1,562	1,665	0
60074	Maury	Careall Homecare Services	194	2/9/84	224	609	881	232
92025	Weakley	Careall Homecare Services	276	6/16/83	2,668	2,036	2,337	2,124
36025	Hardin	Deaconess Homecare	290	2/11/83	1,244	1,330	2,122	1,713
19494	Davidson	Elk Valley Health Services Inc.	42	7/17/84	245	277	293	61
57095	Madison	Extencicare Home Health of West Tennessee	120	6/18/84	993	1,085	832	360
66035	Oblon	Extencicare Home Health of Western Tennessee	188	5/3/84	347	302	119	119
57165	Madison	F. C. of Tennessee, Inc. (Intrepid)	175	9/26/84	86	422	507	246
36035	Hardin	Hardin Medical Center Home Health	137	12/20/93	274	341	205	205
40075	Henry	Henry County Medical Center Home Health	122	12/7/84	399	363	408	406
19544	Davidson	Home Care Solutions, Inc (LHC HomeCare of TN)	56	9/7/88	2,080	1,930	1,689	0
96010	Alcorn Co, MS	Magnolia Regional Health Care Home Hospice	296	3/24/82	915	856	830	35
60044	Maury	Maury Regional Home Services	180	5/31/84	1,220	1,151	1,553	11
57055	Madison	Medical Center Home Health	174	7/1/76	1,617	1,706	1,098	508
79316	Shelby	Methodist Alliance Home Care	233	7/1/88	3,180	3,179	3,363	0
24026	Fayette	NHC Homecare	291	6/6/83	217	226	301	10
27025	Gibson	NHC Homecare	85	2/7/77	625	569	655	506
60024	Maury	NHC Homecare	181	11/22/77	2,134	2,408	2,591	27
23035	Dyer	Regional Home Care - Dyersburg	77	2/18/84	814	707	1,452	1,241
57085	Madison	Regional Home Care - Jackson	178	6/7/84	1,061	1,164	1,863	957
39035	Henderson	Regional Home Care - Lexington	139	2/1/84	616	569	582	580
96020	Fulton Co, KY	Regional Home Care Parkway	297	2/18/84	14	28	39	39
41034	Hickman	St. Thomas Home Health	125	6/1/84	134	214	311	15
03025	Benton	Tennessee Quality Homecare - Northwest	8	3/14/83	1,128	1,164	1,173	477
20045	Decatur	Tennessee Quality Homecare - Southwest	221	3/19/84	1,082	1,080	988	569
94084	Williamson	Vanderbilt HC Affiliated w/Walgreens IV & RT Svcs	604	9/15/00	86	67	135	1
27085	Gibson	Volunteer Home Care, Inc	285	5/26/82	3,027	3,041	2,995	2,198
20055	Decatur	Volunteer Homecare of West Tennessee	63	6/11/84	1,503	1,534	1,794	1,464
19694	Davidson	Willowbrook Home Health Care Agency	259	10/29/81	2,149	1,565	1,283	0
AREAWIDE TOTALS AND AVERAGES					36,585	37,719	39,775	16,097

Source: TDH; 2014 Joint Annual Reports of Home Health Agencies

Table Nine-A: 2014 TennCare Payor Mix of Home Health Agencies Licensed in Alere Shelby's Proposed Counties
BY STATE ID

Health Statistics ID Number	County of Parent Office	Home Health Agency Name	Agency License Number	Date Agency Licensed	2014 Total Gross Revenues	2014 TennCare Gross Revenues	2014 TennCare Percent of Total Gross Revenues
03025	Benton	Tennessee Quality Homecare - Northwest	8	3/14/83	\$4,825,810	\$368,553	7.6%
09065	Carroll	Baptist Memorial Home Care & Hospice	19	7/3/84	\$807,380	\$0	0.0%
19494	Davidson	Elk Valley Health Services Inc	42	7/17/84	\$27,548,490	\$17,659,060	64.1%
19544	Davidson	Home Care Solutions, Inc (LHC HomeCare of TN)	56	9/7/88	\$10,299,102	\$0	0.0%
19694	Davidson	Willowbrook Home Health Care Agency	259	10/29/81	\$5,730,667	\$0	0.0%
19724	Davidson	Careall (VIP Home Nursing & Rehab Svc, LLC)	295	7/5/84	\$8,791,208	\$2,768,953	31.5%
20045	Decatur	Tennessee Quality Homecare - Southwest	221	3/19/84	\$4,205,081	\$952,819	22.7%
20055	Decatur	Volunteer Homecare of West Tennessee	63	6/11/84	\$10,485,470	\$3,632,117	34.6%
23035	Dyer	Regional Home Care - Dyersburg	77	2/18/84	\$3,380,698	\$86,487	2.6%
24026	Fayette	NHC Homecare	291	6/6/83	\$1,587,592	\$0	0.0%
27025	Gibson	NHC Homecare	85	2/7/77	\$2,721,420	\$0	0.0%
27085	Gibson	Volunteer Home Care, Inc	285	5/26/82	\$12,326,672	\$2,505,219	20.3%
33103	Hamilton	Amedisys Home Health	113	7/1/81	\$9,877,048	\$0	0.0%
36025	Hardin	Deaconess Homecare	290	2/11/83	\$6,762,137	\$1,021,238	15.1%
36035	Hardin	Hardin Medical Center Home Health	137	12/20/93	\$1,492,524	\$0	0.0%
39035	Henderson	Regional Home Care - Lexington	139	2/1/84	\$2,938,591	\$21,814	0.7%
40075	Henry	Henry County Medical Center Home Health	122	12/7/84	\$832,451	\$21,946	2.6%
41034	Hickman	St. Thomas Home Health	125	6/1/84	\$580,395	\$40,549	7.0%
57055	Madison	Medical Center Home Health	174	7/1/76	\$5,057,160	\$0	0.0%
57075	Madison	Amedisys Home Health Care	177	5/2/84	\$10,376,674	\$0	0.0%
57085	Madison	Regional Home Care - Jackson	178	6/7/84	\$337,224	\$5,921	1.8%
57095	Madison	Extendicare Home Health of West Tennessee	120	6/18/84	\$6,069,394	\$0	0.0%
57165	Madison	F. C. of Tennessee, Inc. (Intrepid)	175	9/26/84	\$2,595,138	\$40,441	1.6%
60024	Maury	NHC Homecare	181	11/22/77	\$11,197,577	\$0	0.0%
60044	Maury	Maury Regional Home Services	180	5/31/84	\$3,638,674	\$266,219	7.3%
60074	Maury	Careall Homecare Services	194	2/9/84	\$2,784,544	\$485,997	17.5%
66035	Obion	Extendicare Home Health of Western Tennessee	188	5/3/84	\$1,140,079	\$0	0.0%
79316	Shelby	Methodist Alliance Home Care	233	7/1/88	\$7,090,000	\$121,948	1.7%
84046	Tipton	Baptist Home Care & Hospice - Covington	260	9/26/84	\$718,273	\$0	0.0%
92025	Weakley	Careall Homecare Services	276	6/16/83	\$15,132,242	\$5,595,861	37.0%
94084	Williamson	Vanderbilt HC Affiliated w/Walgreens IV & RT Svcs	604	9/15/00	\$59,437	\$18,888	31.8%
96010	Alcorn Co, MS	Magnolia Regional Health Care Home Hospice	296	3/24/82	\$1,877,600	\$0	0.0%
96020	Fulton Co, KY	Regional Home Care Parkway	297	2/18/84	\$185,329	\$0	0.0%
AREAWIDE TOTALS AND AVERAGES					\$183,452,081	\$35,614,030	19.4%

Source: TDH; 2014 Joint Annual Reports of Home Health Agencies

**Table Nine-B: 2014 TennCare Payor Mix of Home Health Agencies Licensed in Alere Shelby's Proposed Counties
BY NAME**

Health Statistics ID Number	County of Parent Office	Home Health Agency Name	Agency License Number	Date Agency Licensed	2014 Total Gross Revenues	2014 TennCare Gross Revenues	2014 TennCare Percent of Total Gross Revenues
33103	Hamilton	Amedisys Home Health	113	7/1/81	\$9,877,048	\$0	0.0%
57075	Madison	Amedisys Home Health Care	177	5/2/84	\$10,376,674	\$0	0.0%
84046	Tipton	Baptist Home Care & Hospice - Covington	260	9/26/84	\$718,273	\$0	0.0%
09065	Carroll	Baptist Memorial Home Care & Hospice	19	7/3/84	\$807,380	\$0	0.0%
19724	Davidson	Careall (VIP Home Nursing & Rehab Svc, LLC)	295	7/5/84	\$8,791,208	\$2,768,953	31.5%
60074	Maury	Careall Homecare Services	194	2/9/84	\$2,784,544	\$485,997	17.5%
92025	Weakley	Careall Homecare Services	276	6/16/83	\$15,132,242	\$5,595,861	37.0%
36025	Hardin	Deaconess Homecare	290	2/11/83	\$6,762,137	\$1,021,238	15.1%
19494	Davidson	Elk Valley Health Services Inc	42	7/17/84	\$27,548,490	\$17,659,060	64.1%
57095	Madison	Extendicare Home Health of West Tennessee	120	6/18/84	\$6,069,394	\$0	0.0%
66035	Obion	Extendicare Home Health of Western Tennessee	188	5/3/84	\$1,140,079	\$0	0.0%
57165	Madison	F. C. of Tennessee, Inc. (Intrepid)	175	9/26/84	\$2,595,138	\$40,441	1.6%
36035	Hardin	Hardin Medical Center Home Health	137	12/20/93	\$1,492,524	\$0	0.0%
40075	Henry	Henry County Medical Center Home Health	122	12/7/84	\$832,451	\$21,946	2.6%
19544	Davidson	Home Care Solutions, Inc (LHC HomeCare of TN)	56	9/7/88	\$10,299,102	\$0	0.0%
96010	Alcorn Co, MS	Magnolia Regional Health Care Home Hospice	296	3/24/82	\$1,877,600	\$0	0.0%
60044	Maury	Maury Regional Home Services	180	5/31/84	\$3,638,674	\$266,219	7.3%
57055	Madison	Medical Center Home Health	174	7/1/76	\$5,057,160	\$0	0.0%
79316	Shelby	Methodist Alliance Home Care	233	7/1/88	\$7,090,000	\$121,948	1.7%
24026	Fayette	NHC Homecare	291	6/6/83	\$1,587,592	\$0	0.0%
27025	Gibson	NHC Homecare	85	2/7/77	\$2,721,420	\$0	0.0%
60024	Maury	NHC Homecare	181	11/22/77	\$11,197,577	\$0	0.0%
23035	Dyer	Regional Home Care - Dyersburg	77	2/18/84	\$3,380,698	\$86,487	2.6%
57085	Madison	Regional Home Care - Jackson	178	6/7/84	\$337,224	\$5,921	1.8%
39035	Henderson	Regional Home Care - Lexington	139	2/1/84	\$2,938,591	\$21,814	0.7%
96020	Fulton Co, KY	Regional Home Care Parkway	297	2/18/84	\$185,329	\$0	0.0%
41034	Hickman	St. Thomas Home Health	125	6/1/84	\$580,395	\$40,549	7.0%
03025	Benton	Tennessee Quality Homecare - Northwest	8	3/14/83	\$4,825,810	\$368,553	7.6%
20045	Decatur	Tennessee Quality Homecare - Southwest	221	3/19/84	\$4,205,081	\$952,819	22.7%
94084	Williamson	Vanderbilt HC Affiliated w/Walgreens IV & RT Svcs	604	9/15/00	\$59,437	\$18,888	31.8%
27085	Gibson	Volunteer Home Care, Inc	285	5/26/82	\$12,326,672	\$2,505,219	20.3%
20055	Decatur	Volunteer Homecare of West Tennessee	63	6/11/84	\$10,485,470	\$3,632,117	34.6%
19694	Davidson	Willowbrook Home Health Care Agency	259	10/29/81	\$5,730,667	\$0	0.0%
AREAWIDE TOTALS AND AVERAGES					\$183,452,081	\$35,614,030	19.4%

Source: TDH; 2014 Joint Annual Reports of Home Health Agencies

**Table Nine-C: 2014 TennCare Payor Mix of Home Health Agencies Licensed in Alere Shelby's Proposed Counties
BY RANKING**

Health Statistics ID Number	County of Parent Office	Home Health Agency Name	Agency License Number	Date Agency Licensed	2014 Total Gross Revenues	2014 TennCare Gross Revenues	2014 TennCare Percent of Total Gross Revenues
19494	Davidson	Elk Valley Health Services Inc	42	7/17/84	\$27,548,490	\$17,659,060	64.1%
92025	Weakley	Careall Homecare Services	276	6/16/83	\$15,132,242	\$5,595,861	37.0%
20055	Decatur	Volunteer Homecare of West Tennessee	63	6/11/84	\$10,485,470	\$3,632,117	34.6%
94084	Williamson	Vanderbilt HC Affiliated w/Walgreens IV & RT Svcs	604	9/15/00	\$59,437	\$18,888	31.8%
19724	Davidson	Careall (VIP Home Nursing & Rehab Svc, LLC)	295	7/5/84	\$8,791,208	\$2,768,953	31.5%
20045	Decatur	Tennessee Quality Homecare - Southwest	221	3/19/84	\$4,205,081	\$952,819	22.7%
27085	Gibson	Volunteer Home Care, Inc	285	5/26/82	\$12,326,672	\$2,505,219	20.3%
60074	Maury	Careall Homecare Services	194	2/9/84	\$2,784,544	\$485,997	17.5%
36025	Hardin	Deaconess Homecare	290	2/11/83	\$6,762,137	\$1,021,238	15.1%
03025	Benton	Tennessee Quality Homecare - Northwest	8	3/14/83	\$4,825,810	\$368,553	7.6%
60044	Maury	Maury Regional Home Services	180	5/31/84	\$3,638,674	\$266,219	7.3%
41034	Hickman	St. Thomas Home Health	125	6/1/84	\$580,395	\$40,549	7.0%
40075	Henry	Henry County Medical Center Home Health	122	12/7/84	\$832,451	\$21,946	2.6%
23035	Dyer	Regional Home Care - Dyersburg	77	2/18/84	\$3,380,698	\$86,487	2.6%
57085	Madison	Regional Home Care - Jackson	178	6/7/84	\$337,224	\$5,921	1.8%
79316	Shelby	Methodist Alliance Home Care	233	7/1/88	\$7,090,000	\$121,948	1.7%
57165	Madison	F. C. of Tennessee, Inc. (Intrepid)	175	9/26/84	\$2,595,138	\$40,441	1.6%
39035	Henderson	Regional Home Care - Lexington	139	2/1/84	\$2,938,591	\$21,814	0.7%
33103	Hamilton	Amedisys Home Health	113	7/1/81	\$9,877,048	\$0	0.0%
57075	Madison	Amedisys Home Health Care	177	5/2/84	\$10,376,674	\$0	0.0%
84046	Tipton	Baptist Home Care & Hospice - Covington	260	9/26/84	\$718,273	\$0	0.0%
09065	Carroll	Baptist Memorial Home Care & Hospice	19	7/3/84	\$807,380	\$0	0.0%
57095	Madison	Extendicare Home Health of West Tennessee	120	6/18/84	\$6,069,394	\$0	0.0%
66035	Obion	Extendicare Home Health of Western Tennessee	188	5/3/84	\$1,140,079	\$0	0.0%
36035	Hardin	Hardin Medical Center Home Health	137	12/20/93	\$1,492,524	\$0	0.0%
19544	Davidson	Home Care Solutions, Inc (LHC HomeCare of TN)	56	9/7/88	\$10,299,102	\$0	0.0%
96010	Alcorn Co, MS	Magnolia Regional Health Care Home Hospice	296	3/24/82	\$1,877,600	\$0	0.0%
57055	Madison	Medical Center Home Health	174	7/1/76	\$5,057,160	\$0	0.0%
24026	Fayette	NHC Homecare	291	6/6/83	\$1,587,592	\$0	0.0%
27025	Gibson	NHC Homecare	85	2/7/77	\$2,721,420	\$0	0.0%
60024	Maury	NHC Homecare	181	11/22/77	\$11,197,577	\$0	0.0%
96020	Fulton Co, KY	Regional Home Care Parkway	297	2/18/84	\$185,329	\$0	0.0%
19694	Davidson	Willowbrook Home Health Care Agency	259	10/29/81	\$5,730,667	\$0	0.0%
AREAWIDE TOTALS AND AVERAGES					\$183,452,081	\$35,614,030	19.4%

Source: TDH; 2014 Joint Annual Reports of Home Health Agencies

TDH ID	County of Parent Office	AGENCY NAME	Total Agency Patients in TN	Total Agency Patients From Alere's Proposed Counties	Percent of Agency Dependence on Alere's Proposed Counties	Agency Total Patients Age 18-64 in Alere's Proposed Counties	Agency Female Patients Age 18-64 in Alere's Proposed Counties (Estimated @ 50%)	Local Dependence: Agency's Female Patients Age 18-64 in Proposed Counties as Percent of All Its Patients in Proposed Counties	Statewide Dependence: Agency's Female Patients Age 18-64 in Proposed Counties as Percent of All Its Patients in Proposed Counties
03025	Benton	Tennessee Quality HomeCare - Northwest	1,173	477	40.7%	113	57	12%	5%
09065	Carroll	Baptist Memorial Home Care & Hospice	283	268	94.7%	68	34	13%	12%
19494	Davidson	Elk Valley Health Services Inc	293	61	20.8%	16	8	13%	3%
19544	Davidson	Home Care Solutions, Inc (LHC HomeCare of TN)	1,689	0	0.0%	0	0	0%	0%
19694	Davidson	Willowbrook Home Health Care Agency	1,283	0	0.0%	0	0	0%	0%
19724	Davidson	Careall (VIP Home Nursing & Rehab Svc, LLC)	1,665	0	0.0%	0	0	0%	0%
20045	Decatur	Tennessee Quality HomeCare - Southwest	988	569	57.6%	79	40	7%	4%
20055	Decatur	Volunteer HomeCare of West Tennessee	1,794	1,464	81.6%	406	203	14%	11%
23035	Dyer	Regional Home Care - Dyersburg	1,452	1,241	85.5%	267	134	11%	9%
24026	Fayette	NHC HomeCare	301	10	3.3%	5	3	25%	1%
27025	Gibson	NHC HomeCare	655	506	77.3%	168	84	17%	13%
27085	Gibson	Volunteer Home Care, Inc	2,995	2,198	73.4%	690	345	16%	12%
33103	Hamilton	Amedisys Home Health	2,564	0	0.0%	0	0	0%	0%
36025	Hardin	Deaconess HomeCare	2,122	1,713	80.7%	422	211	12%	10%
36035	Hardin	Hardin Medical Center Home Health	205	205	100.0%	24	12	6%	6%
39035	Henderson	Regional Home Care - Lexington	582	580	99.7%	127	64	11%	11%
40075	Henry	Henry County Medical Center Home Health	408	406	99.5%	108	54	13%	13%
41034	Hickman	St. Thomas Home Health	311	15	4.8%	4	2	13%	1%
57055	Madison	Medical Center Home Health	1,098	508	46.3%	124	62	12%	6%
57075	Madison	Amedisys Home Health Care	2,541	1,725	67.9%	247	124	7%	5%
57085	Madison	Regional Home Care - Jackson	1,863	957	51.4%	225	113	12%	6%
57095	Madison	Extendicare Home Health of West Tennessee	832	360	43.3%	64	32	9%	4%
57165	Madison	F. C. of Tennessee, Inc. (Intrepid)	507	246	48.5%	49	25	10%	5%
60024	Maury	NHC HomeCare	2,591	27	1.0%	14	7	26%	0%
60044	Maury	Maury Regional Home Services	1,553	11	0.7%	5	3	23%	0%
60074	Maury	Careall HomeCare Services	881	232	26.3%	89	45	19%	5%
66035	Obion	Extendicare Home Health of Western Tennessee	119	119	100.0%	15	8	6%	6%
79316	Shelby	Methodist Alliance Home Care	3,363	0	0.0%	0	0	0%	0%
84046	Tipton	Baptist Home Care & Hospice - Covington	323	0	0.0%	0	0	0%	0%
92025	Weakley	Careall HomeCare Services	2,337	2,124	90.9%	513	257	12%	11%
94084	Williamson	Vanderbilt HC Affiliated w/Walgreens IV & RT Svcs	135	1	0.7%	1	1	50%	0%
96010	Alcorn Co, MS	Magnolia Regional Health Care Home Hospice	830	35	4.2%	19	10	27%	1%
96020	Fulton Co, KY	Regional Home Care Parkway	39	39	100.0%	3	2	4%	4%
			39,775	16,097	40.5%	3,865	1,933	12%	5%

Sources: 2014 Joint Annual Reports

Table Ten-B: Agency Dependence on Total and Childbearing-Age Female Patients in Alere Shelby's Proposed Counties--BY NAME									
TDH ID	County of Parent Office	AGENCY NAME	Total Agency Patients in TN	Total Agency Patients From Alere's Proposed Counties	Percent of Agency Dependence on Alere's Proposed Counties	Agency Total Patients Age 18-64 in Alere's Proposed Counties	Agency Female Patients Age 18-64 in Alere's Proposed Counties (Estimated @ 50%)	Local Dependence: Agency's Female Patients Age 18-64 in Proposed Counties as Percent of All Patients in Proposed Counties	Statewide Dependence: Agency's Female Patients Age 18-64 in Proposed Counties as Percent of All Patients in Proposed Counties
33103	Hamilton	Annedisys Home Health	2,564	0	0.0%	0	0	0%	0%
57075	Madison	Annedisys Home Health Care	2,541	1,725	67.9%	247	124	7%	5%
84046	Tipton	Baptist Home Care & Hospice - Covington	323	0	0.0%	0	0	0%	0%
09065	Carroll	Baptist Memorial Home Care & Hospice	283	268	94.7%	68	34	13%	12%
19724	Davidson	Careall (VIP Home Nursing & Rehab Svc, LLC)	1,665	0	0.0%	0	0	0%	0%
60074	Maury	Careall Homecare Services	881	232	26.3%	89	45	19%	5%
92025	Weakley	Careall Homecare Services	2,337	2,124	90.9%	513	257	12%	11%
36025	Hardin	Deaconess Homecare	2,122	1,713	80.7%	422	211	12%	10%
19494	Davidson	Elk Valley Health Services Inc	293	61	20.8%	16	8	13%	3%
57095	Madison	Extendicare Home Health of West Tennessee	832	360	43.3%	64	32	9%	4%
66035	Obion	Extendicare Home Health of Western Tennessee	119	119	100.0%	15	8	6%	6%
57165	Madison	F. C. of Tennessee, Inc. (Intrepid)	507	246	48.5%	49	25	10%	5%
36035	Hardin	Hardin Medical Center Home Health	205	205	100.0%	24	12	6%	6%
40075	Henry	Henry County Medical Center Home Health	408	406	99.5%	108	54	13%	13%
19544	Davidson	Home Care Solutions, Inc (LHC HomeCare of TN)	1,689	0	0.0%	0	0	0%	0%
96010	Alcorn Co, MS	Magnolia Regional Health Care Home Hospice	830	35	4.2%	19	10	27%	1%
60044	Maury	Maury Regional Home Services	1,553	11	0.7%	5	3	23%	0%
57055	Madison	Medical Center Home Health	1,098	508	46.3%	124	62	12%	6%
79316	Shelby	Methodist Alliance Home Care	3,363	0	0.0%	0	0	0%	0%
24026	Fayette	NHC Homecare	301	10	3.3%	5	3	25%	1%
27025	Gibson	NHC Homecare	655	506	77.3%	168	84	17%	13%
60024	Maury	NHC Homecare	2,591	27	1.0%	14	7	26%	0%
23035	Dyer	Regional Home Care - Dyersburg	1,452	1,241	85.5%	267	134	11%	9%
57085	Madison	Regional Home Care - Jackson	1,863	957	51.4%	225	113	12%	6%
39035	Henderson	Regional Home Care - Lexington	582	580	99.7%	127	64	11%	11%
96020	Fulton Co, KY	Regional Home Care Parkway	39	39	100.0%	3	2	4%	4%
41034	Hickman	St. Thomas Home Health	311	15	4.8%	4	2	13%	1%
03025	Benton	Tennessee Quality Homecare - Northwest	1,173	477	40.7%	113	57	12%	5%
20045	Decatur	Tennessee Quality Homecare - Southwest	988	569	57.6%	79	40	7%	4%
94084	Williamson	Vanderbilt HC Affiliated w/Walgreens IV & RT Svcs	135	1	0.7%	1	1	50%	0%
27085	Gibson	Volunteer Home Care, Inc	2,995	2,198	73.4%	690	345	16%	12%
20055	Decatur	Volunteer Homecare of West Tennessee	1,794	1,464	81.6%	406	203	14%	11%
19694	Davidson	Willowbrook Home Health Care Agency	1,283	0	0.0%	0	0	0%	0%
			39,775	16,097	40.5%	3,865	1,933	12%	5%

Sources: 2014 Joint Annual Reports

Table Ten-C: Agency Dependence, WITHIN ALERE PSA, on Total and Childbearing-Age Female Patients in Alere Shelby's Proposed Counties--BY RANKING

TDH ID	County of Parent Office	AGENCY NAME	Total Agency Patients in TN	Total Agency Patients From Alere's Proposed Counties	Percent of Agency Dependence on Alere's Proposed Counties	Agency Total Patients Age 18-64 in Alere's Proposed Counties	Agency Female Patients Age 18-64 in Alere's Proposed Counties (Estimated @ 50%)	Local Dependence: Agency's Female Patients Age 18-64 in Proposed Counties as Percent of All Its Patients in Proposed Counties	Statewide Dependence: Agency's Female Patients Age 18-64 in Proposed Counties as Percent of All Its Patients Statewide
94084	Williamson	Vanderbilt HC Affiliated w/Walgreens IV & RT Svcs	135	1	0.7%	1	1	50%	0%
96010	Alcorn Co, MS	Magnolia Regional Health Care Home Hospice	830	35	4.2%	19	10	27%	1%
60024	Maury	NHC Homecare	2,591	27	1.0%	14	7	26%	0%
24026	Fayette	NHC Homecare	301	10	3.3%	5	3	25%	1%
60044	Maury	Maury Regional Home Services	1,553	11	0.7%	5	3	23%	0%
60074	Maury	Careall Homecare Services	881	232	26.3%	89	45	19%	5%
27025	Gibson	NHC Homecare	655	506	77.3%	168	84	17%	13%
27085	Gibson	Volunteer Home Care, Inc	2,995	2,198	73.4%	690	345	16%	12%
20055	Decatur	Volunteer Homecare of West Tennessee	1,794	1,464	81.6%	406	203	14%	11%
41034	Hickman	St. Thomas Home Health	311	15	4.8%	4	2	13%	1%
40075	Henry	Henry County Medical Center Home Health	408	406	99.5%	108	54	13%	13%
19494	Davidson	Elk Valley Health Services Inc	293	61	20.8%	16	8	13%	3%
09065	Carroll	Baptist Memorial Home Care & Hospice	283	268	94.7%	68	34	13%	12%
36025	Hardin	Deaconess Homecare	2,122	1,713	80.7%	422	211	12%	10%
57055	Madison	Medical Center Home Health	1,098	508	46.3%	124	62	12%	6%
92025	Weakley	Careall Homecare Services	2,337	2,124	90.9%	513	257	12%	11%
03025	Benton	Tennessee Quality Homecare - Northwest	1,173	477	40.7%	113	57	12%	5%
57085	Madison	Regional Home Care - Jackson	1,863	957	51.4%	225	113	12%	6%
39035	Henderson	Regional Home Care - Lexington	582	580	99.7%	127	64	11%	11%
23035	Dyer	Regional Home Care - Dyersburg	1,452	1,241	85.5%	267	134	11%	9%
57165	Madison	F. C. of Tennessee, Inc. (Intrepid)	507	246	48.5%	49	25	10%	5%
57095	Madison	Extendicare Home Health of West Tennessee	832	360	43.3%	64	32	9%	4%
57075	Madison	Amedisys Home Health Care	2,541	1,725	67.9%	247	124	7%	5%
20045	Decatur	Tennessee Quality Homecare - Southwest	988	569	57.6%	79	40	7%	4%
66035	Obion	Extendicare Home Health of Western Tennessee	119	119	100.0%	15	8	6%	6%
36035	Hardin	Hardin Medical Center Home Health	205	205	100.0%	24	12	6%	6%
96020	Fulton Co, KY	Regional Home Care Parkway	39	39	100.0%	3	2	4%	4%
33103	Hamilton	Amedisys Home Health	2,564	0	0.0%	0	0	0%	0%
84046	Tipton	Baptist Home Care & Hospice - Covington	323	0	0.0%	0	0	0%	0%
19724	Davidson	Careall (VIP Home Nursing & Rehab Svc, LLC)	1,665	0	0.0%	0	0	0%	0%
19544	Davidson	Home Care Solutions, Inc (LHC HomeCare of TN)	1,689	0	0.0%	0	0	0%	0%
79316	Shelby	Methodist Alliance Home Care	3,363	0	0.0%	0	0	0%	0%
19694	Davidson	Willowbrook Home Health Care Agency	1,283	0	0.0%	0	0	0%	0%
			39,775	16,097	40.5%	3,865	1,933	12%	5%

Sources: 2014 Joint Annual Reports

Table Ten-D: Agency Dependence, STATEWIDE, on Total and Childbearing-Age Female Patients in Alere Shelby's Proposed Counties--BY RANKING

TDH ID	County of Parent Office	AGENCY NAME	Total Agency Patients in TN	Total Agency Patients From Alere's Proposed Counties	Percent of Agency Dependence on Alere's Proposed Counties	Agency Total Patients Age 18-64 in Proposed Counties	Agency Female Patients Age 18-64 in Alere's Proposed Counties (Estimated @ 50%)	Local Dependence: Agency's Female Patients Age 18-64 in Proposed Counties as Percent of All Patients in Proposed Counties	Statewide Dependence: Agency's Female Patients Age 18-64 in Proposed Counties as Percent of All Patients in Proposed Counties
40075	Henry	Henry County Medical Center Home Health	408	406	99.5%	108	54	13%	13%
27025	Gibson	NHC Homecare	655	506	77.3%	168	84	17%	13%
09065	Carroll	Baptist Memorial Home Care & Hospice	283	268	94.7%	68	34	13%	12%
27085	Gibson	Volunteer Home Care, Inc	2,995	2,198	73.4%	690	345	16%	12%
20055	Decatur	Volunteer Homecare of West Tennessee	1,794	1,464	81.6%	406	203	14%	11%
92025	Weakley	Careall Homecare Services	2,337	2,124	90.9%	513	257	12%	11%
39035	Henderson	Regional Home Care - Lexington	582	580	99.7%	127	64	11%	11%
36025	Hardin	Deaconess Homecare	2,122	1,713	80.7%	422	211	12%	10%
23035	Dyer	Regional Home Care - Dyersburg	1,452	1,241	85.5%	267	134	11%	9%
66035	Obion	Extendicare Home Health of Western Tennessee	119	119	100.0%	15	8	6%	6%
57085	Madison	Regional Home Care - Jackson	1,863	957	51.4%	225	113	12%	6%
36035	Hardin	Hardin Medical Center Home Health	205	205	100.0%	24	12	6%	6%
57055	Madison	Medical Center Home Health	1,098	508	46.3%	124	62	12%	6%
60074	Maury	Careall Homecare Services	881	232	26.3%	89	45	19%	5%
57075	Madison	Amedisys Home Health Care	2,541	1,725	67.9%	247	124	7%	5%
57165	Madison	F. C. of Tennessee, Inc. (Intrepid)	507	246	48.5%	49	25	10%	5%
03025	Benton	Tennessee Quality Homecare - Northwest	1,173	477	40.7%	113	57	12%	5%
20045	Decatur	Tennessee Quality Homecare - Southwest	988	569	57.6%	79	40	7%	4%
57095	Madison	Extendicare Home Health of West Tennessee	832	360	43.3%	64	32	9%	4%
96020	Fulton Co, KY	Regional Home Care Parkway	39	39	100.0%	3	2	4%	4%
19494	Davidson	Elk Valley Health Services Inc	293	61	20.8%	16	8	13%	3%
96010	Alcorn Co, MS	Magnolia Regional Health Care Home Hospice	830	35	4.2%	19	10	27%	1%
24026	Fayette	NHC Homecare	301	10	3.3%	5	3	25%	1%
41034	Hickman	St. Thomas Home Health	311	15	4.8%	4	2	13%	1%
94084	Williamson	Vanderbilt HC Affiliated w/Walgreens IV & RT Svcs	135	1	0.7%	1	1	50%	0%
60024	Maury	NHC Homecare	2,591	27	1.0%	14	7	26%	0%
60044	Maury	Maury Regional Home Services	1,553	11	0.7%	5	3	23%	0%
33103	Hamilton	Amedisys Home Health	2,564	0	0.0%	0	0	0%	0%
84046	Tipton	Baptist Home Care & Hospice - Covington	323	0	0.0%	0	0	0%	0%
19724	Davidson	Careall (VIP Home Nursing & Rehab Svc, LLC)	1,665	0	0.0%	0	0	0%	0%
19544	Davidson	Home Care Solutions, Inc (LHC HomeCare of TN)	1,689	0	0.0%	0	0	0%	0%
79316	Shelby	Methodist Alliance Home Care	3,363	0	0.0%	0	0	0%	0%
19694	Davidson	Willowbrook Home Health Care Agency	1,283	0	0.0%	0	0	0%	0%
			39,775	16,097	40.5%	3,865	1,933	12%	5%

Sources: 2014 Joint Annual Reports

C(I).6. PROVIDE APPLICABLE UTILIZATION AND/OR OCCUPANCY STATISTICS FOR YOUR INSTITUTION FOR EACH OF THE PAST THREE (3) YEARS AND THE PROJECTED ANNUAL UTILIZATION FOR EACH OF THE TWO (2) YEARS FOLLOWING COMPLETION OF THE PROJECT. ADDITIONALLY, PROVIDE THE DETAILS REGARDING THE METHODOLOGY USED TO PROJECT UTILIZATION. THE METHODOLOGY MUST INCLUDE DETAILED CALCULATIONS OR DOCUMENTATION FROM REFERRAL SOURCES, AND IDENTIFICATION OF ALL ASSUMPTIONS.

Applicant's Historical Utilization

Following this page is Table Eleven-A, providing the past three years of utilization for the three Alere Women's and Children's Health agencies in Tennessee. The second following page is Table Eleven-B, providing comprehensive statistics on the 2014 utilization of Alere Women's and Children's Health (Shelby County) as reported in its 2014 Joint Annual Report.

Applicant's Projected Utilization

The applicant projected its utilization from the proposed service area using a two-step process, as stated below. The steps are reflected in Tables Twelve-A and -B, which follow the historical Alere utilization charts that begin after this page.

1. Alere/Shelby's 2014 overall use rate in its current 14-county service area was calculated. Alere/Shelby's Tennessee patients by county during 2014 (335 from Tennessee) were totaled and divided by the 2014 female population of childbearing age for its current counties (254,419) to derive the target population's average Tennessee service area use rate of Alere/Shelby, which was 0.132%. See Table Twelve-A below.

2. Alere/Shelby's 2014 average use rate was then applied to the projected Years One and Two population of females of childbearing age in the *proposed* service area. That resulted in a projection of approximately 96 additional Alere patients in both 2017 and 2018. See Table Twelve-B below.

Table Eleven-A: Alere Women's and Children's Health (All Tennessee Agencies) 2012-2014 Total Patients, 2014 TennCare Patients, 2014 Patients of Childbearing Age (18-64)											
Health Statistics ID Number	Home Health Agency Name	Agency License Number	County of Parent Office	Date Agency Licensed	2012 JAR Total Patients Served	2013 JAR Total Patients Served	2014 JAR Total Patients Served	2014 JAR TennCare Patients Served	2014 TennCare Percent of Total Patients Served	2014 Patients Served Ages 18-64	2014 Percent of Total Patients Served Who were Age 18-64
19654	Alere Women's and Children's Health	471	Davidson	3/1/99	196	202	186	134	72.0%	184	98.9%
33423	Alere Women's and Children's Health	457	Hamilton	11/13/98	52	74	50	36	72.0%	50	100.0%
79466	Alere Women's and Children's Health	459	Shelby	12/21/98	401	417	376	175	46.5%	375	99.7%
Statewide Totals					649	693	612	345	56.4%	609	99.5%

Source: TDH; 2014 Joint Annual Reports of Home Health Agencies

Table Eleven-B: 2014 Alere / Shelby County Utilization

Health Statistics ID	Agency County	Agency Name	Total Patients	TNCare Patients	TnCare % of Patients
79466	Shelby	Alere Women's and Children's Health	376	175	46.5%
			Total Gross Revenue	TNCare Gross Revenue	TnCare % of Gross Revenue
			\$1,255,827	\$440,733	35.1%
			Total Visits	TNCare Visits	TnCare % of Visits
			3,037	1,919	63.2%
			Total Hours	TNCare Hours	TnCare % of Hours
			4,556	2,186	48.0%
			Total Patients	Patients Age 18-64	% of Patients Age 18-64
			376	375	99.7%

Source: HHA Joint Ann. Reports, 2014.

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Table Twelve-A: Alere Shelby's Use Rates in 2014			
County	Alere Agency's Total Patients in 2014	2014 Female Population 15-44	Alere Use Rate by Population of Childbearing Age
SHELBY CO. AGENCY			
Fayette	7	7,249	0.097%
Hardeman	2	4,184	0.048%
Haywood	0	3,527	0.000%
Lauderdale	6	4,759	0.126%
Madison	4	20,414	0.020%
Shelby	301	201,356	0.149%
Tipton	15	12,930	0.116%
AGENCY TOTAL	335	254,419	0.132%

Source: Joint Annual Reports; TDH Population Projections 2013 Series.

Note: Patients exclude 41 from outside TN service area.

Table Twelve-B: Alere/Shelby Patients By Proposed New Counties--Years One & Two

Proposed Counties To Be Added to Alere Shelby's Service Areas	Year One 2017 Female Population 15-44	Year 2018 Female Population 15-44	Agency's 2014 Average Use Rate in Its Current Counties	Year One Projected New Alere Patients	Year Two Projected New Alere Patients
Benton	2,613	2,602	0.132%	3.45	3.43
Carroll	4,948	4,933	0.132%	6.53	6.51
Chester	3,965	4,035	0.132%	5.23	5.33
Crockett	2,779	2,816	0.132%	3.67	3.72
Decatur	2,045	2,099	0.132%	2.70	2.77
Dyer	7,261	7,284	0.132%	9.58	9.61
Gibson	9,889	9,960	0.132%	13.05	13.15
Hardin	4,324	4,359	0.132%	5.71	5.75
Henderson	5,230	5,221	0.132%	6.90	6.89
Henry	5,469	5,469	0.132%	7.22	7.22
Lake	886	884	0.132%	1.17	1.17
McNairy	4,805	4,863	0.132%	6.34	6.42
Obion	5,660	5,660	0.132%	7.47	7.47
Perry	1,229	1,225	0.132%	1.62	1.62
Wayne	2,515	2,503	0.132%	3.32	3.30
Weakley	8,747	8,765	0.132%	11.55	11.57
NEW COUNTIES TOTAL	72,365	72,678	0.132%	95.52	95.93
PROJECTED ALERE PATIENTS				59	96

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SUPPLEMENTAL Table Twelve-C: Alere/Shelby Patients By Proposed New Counties--Year Two (2018)							
Proposed Counties To Be Added to Alere Shelby's Service Areas	Year One 2017 Female Population 15-44	Year Two 2018 Female Population 15-44	9-15 TDH Update of Year 2018 Female Pop 15-44	Agency's 2014 Average Use Rate in Its Current Counties	Year One Projected New Alere Patients	Year Two Projected New Alere Patients	Year Two 2018 Update--Projected New Alere Patients
Benton	2,613	2,602	2,492	0.132%	3.45	3.43	3.29
Carroll	4,948	4,933	4,770	0.132%	6.53	6.51	6.30
Chester	3,965	4,035	4,114	0.132%	5.23	5.33	5.43
Crockett	2,779	2,816	2,701	0.132%	3.67	3.72	3.57
Decatur	2,045	2,099	1,795	0.132%	2.70	2.77	2.37
Dyer	7,261	7,284	7,219	0.132%	9.58	9.61	9.53
Gibson	9,889	9,960	9,350	0.132%	13.05	13.15	12.34
Hardin	4,324	4,359	4,262	0.132%	5.71	5.75	5.63
Henderson	5,230	5,221	5,301	0.132%	6.90	6.89	7.00
Henry	5,469	5,469	5,173	0.132%	7.22	7.22	6.83
Lake	886	884	838	0.132%	1.17	1.17	1.11
McNairy	4,805	4,863	4,505	0.132%	6.34	6.42	5.95
Oblon	5,660	5,660	5,519	0.132%	7.47	7.47	7.29
Perry	1,229	1,225	1,258	0.132%	1.62	1.62	1.71
Wayne	2,515	2,503	2,427	0.132%	3.32	3.30	3.20
Weakley	8,747	8,765	7,663	0.132%	11.55	11.57	10.12
NEW COUNTIES TOTAL	72,365	72,678	69,427	0.132%	95.52	95.93	91.64
PROJECTED ALERE PATIENTS					59	96	92
MINIMAL CHANGE BY UPDATE			-4.50%				-4.50%

C(II)1. PROVIDE THE COST OF THE PROJECT BY COMPLETING THE PROJECT COSTS CHART ON THE FOLLOWING PAGE. JUSTIFY THE COST OF THE PROJECT.

- **ALL PROJECTS SHOULD HAVE A PROJECT COST OF AT LEAST \$3,000 ON LINE F (MINIMUM CON FILING FEE). CON FILING FEE SHOULD BE CALCULATED ON LINE D.**

- **THE COST OF ANY LEASE (BUILDING, LAND, AND/OR EQUIPMENT) SHOULD BE BASED ON FAIR MARKET VALUE OR THE TOTAL AMOUNT OF THE LEASE PAYMENTS OVER THE INITIAL TERM OF THE LEASE, WHICHEVER IS GREATER. NOTE: THIS APPLIES TO ALL EQUIPMENT LEASES INCLUDING BY PROCEDURE OR "PER CLICK" ARRANGEMENTS. THE METHODOLOGY USED TO DETERMINE THE TOTAL LEASE COST FOR A "PER CLICK" ARRANGEMENT MUST INCLUDE, AT A MINIMUM, THE PROJECTED PROCEDURES, THE "PER CLICK" RATE AND THE TERM OF THE LEASE.**

- **THE COST FOR FIXED AND MOVEABLE EQUIPMENT INCLUDES, BUT IS NOT NECESSARILY LIMITED TO, MAINTENANCE AGREEMENTS COVERING THE EXPECTED USEFUL LIFE OF THE EQUIPMENT; FEDERAL, STATE, AND LOCAL TAXES AND OTHER GOVERNMENT ASSESSMENTS; AND INSTALLATION CHARGES, EXCLUDING CAPITAL EXPENDITURES FOR PHYSICAL PLANT RENOVATION OR IN-WALL SHIELDING, WHICH SHOULD BE INCLUDED UNDER CONSTRUCTION COSTS OR INCORPORATED IN A FACILITY LEASE.**

- **FOR PROJECTS THAT INCLUDE NEW CONSTRUCTION, MODIFICATION, AND/OR RENOVATION; DOCUMENTATION MUST BE PROVIDED FROM A CONTRACTOR AND/OR ARCHITECT THAT SUPPORT THE ESTIMATED CONSTRUCTION COSTS.**

Please see the following page for the Project Cost Chart. There is no construction required.

PROJECT COSTS CHART--ALERE SHELBY COUNTY--EXPANSION

A. Construction and equipment acquired by purchase:

1. Architectural and Engineering Fees	\$	0
2. Legal, Administrative, Consultant Fees (Excl CON Filing Fee)		60,000
3. Acquisition of Site		0
4. Preparation of Site		0
5. Construction Cost		0
6. Contingency Fund		0
7. Fixed Equipment (Not included in Construction Contract)		0
8. Moveable Equipment (List all equipment over \$50,000)		16,000
9. Other (Specify) _____		0

B. Acquisition by gift, donation, or lease:

1. Facility (inclusive of building and land)		0
2. Building only		0
3. Land only		0
4. Equipment (Specify) _____		0
5. Other (Specify) _____		0

C. Financing Costs and Fees:

1. Interim Financing		0
2. Underwriting Costs		0
3. Reserve for One Year's Debt Service		0
4. Other (Specify) _____		0

D. Estimated Project Cost
(A+B+C)

76,000

E. CON Filing Fee

3,000

F. Total Estimated Project Cost (D+E)

TOTAL \$ 79,000

Actual Capital Cost 79,000
Section B FMV 0

C(II).2. IDENTIFY THE FUNDING SOURCES FOR THIS PROJECT.

a. PLEASE CHECK THE APPLICABLE ITEM(S) BELOW AND BRIEFLY SUMMARIZE HOW THE PROJECT WILL BE FINANCED. (DOCUMENTATION FOR THE TYPE OF FUNDING MUST BE INSERTED AT THE END OF THE APPLICATION, IN THE CORRECT ALPHANUMERIC ORDER AND IDENTIFIED AS ATTACHMENT C, ECONOMIC FEASIBILITY--2).

 A. Commercial Loan--Letter from lending institution or guarantor stating favorable initial contact, proposed loan amount, expected interest rates, anticipated term of the loan, and any restrictions or conditions;

 B. Tax-Exempt Bonds--copy of preliminary resolution or a letter from the issuing authority, stating favorable contact and a conditional agreement from an underwriter or investment banker to proceed with the issuance;

 C. General Obligation Bonds--Copy of resolution from issuing authority or minutes from the appropriate meeting;

 D. Grants--Notification of Intent form for grant application or notice of grant award;

 x **E. Cash Reserves--Appropriate documentation from Chief Financial Officer; or**

 F. Other--Identify and document funding from all sources.

The project will be funded/financed in cash by United Health Group (UHG), the ultimate parent company of Alere Women's and Children's Health, LLC, through its subsidiary OptumHealth Care Solutions, Inc. Documentation of financing is provided in Attachment C, Economic Feasibility--2. UHG's income statement and balance sheet are also included.

C(II).3. DISCUSS AND DOCUMENT THE REASONABLENESS OF THE PROPOSED PROJECT COSTS. IF APPLICABLE, COMPARE THE COST PER SQUARE FOOT OF CONSTRUCTION TO SIMILAR PROJECTS RECENTLY APPROVED BY THE HSDA.

Not applicable; the project does not include construction.

C(II).4. COMPLETE HISTORICAL AND PROJECTED DATA CHARTS ON THE FOLLOWING TWO PAGES--DO NOT MODIFY THE CHARTS PROVIDED OR SUBMIT CHART SUBSTITUTIONS. HISTORICAL DATA CHART REPRESENTS REVENUE AND EXPENSE INFORMATION FOR THE LAST THREE (3) YEARS FOR WHICH COMPLETE DATA IS AVAILABLE FOR THE INSTITUTION. PROJECTED DATA CHART REQUESTS INFORMATION FOR THE TWO YEARS FOLLOWING COMPLETION OF THIS PROPOSAL. PROJECTED DATA CHART SHOULD INCLUDE REVENUE AND EXPENSE PROJECTIONS FOR THE PROPOSAL ONLY (I.E., IF THE APPLICATION IS FOR ADDITIONAL BEDS, INCLUDE ANTICIPATED REVENUE FROM THE PROPOSED BEDS ONLY, NOT FROM ALL BEDS IN THE FACILITY).

See the following three pages for these charts, with a page of itemized expenses following the last chart.

1. As explained in Section C.II.9 below, the TennCare MCO's, not TennCare, contract with Alere at a pre-negotiated per diem rate. Each MCO pays 100% of its negotiated rate. Large contractual adjustments are explained primarily by that.
2. Commercial plans who utilize Alere include Aetna, Cigna, Humana, and United Health Care. The reimbursement from these agencies is agreed to using the same "bundled" per diem approach that is used for TennCare. Each insurance plan is contracted with separately; and the confidential contracts state the rates of reimbursement. These are proprietary methodologies, negotiations, rates, and contracts and are not available for public disclosure.
3. Decreases in average charges from CY2014 through the projection period are due to a change in the mix of therapies and services Alere provides. The therapy mix has changed; Alere is now serving patients with therapies that have a lower average charge.
4. The historic and projected data charts are full income and expense statements that show net operating revenue after deductions for contractual adjustments, charity care, and bad debt. Please note that Table 16 (payor mix) later in the application shows revenue data *before* adjustment for bad debt. This is not an inconsistency. If bad debt is added back into net operating revenue in the historic and projected data charts, the net operating revenue will match that shown in Table 16.

HISTORICAL DATA CHART – ALERE SHELBY COUNTY
(ALL DATA ON CALENDAR YEAR BASIS EXCEPT LINE A FYE PATIENTS FROM JAR)

Give information for the last three (3) years for which complete data are available for the facility or agency.

The fiscal year begins in January.

		CY 2012	CY 2013	CY 2014
	CY Patients, TN & Other	425	394	406
	FYE Patients, TN only (JAR)	401	417	376
A.	Utilization Data			
B.	Revenue from Services to Patients			
1.	Inpatient Services	\$		
2.	Outpatient Services			
3.	Emergency Services			
4.	Other Operating Revenue	4,956,713	3,683,215	3,145,035
	(Specify) <u>See notes page</u>			
	Gross Operating Revenue	\$ 4,956,713	\$ 3,683,215	\$ 3,145,035
C.	Deductions for Operating Revenue			
1.	Contractual Adjustments	\$ 3,450,319	2,364,980	2,000,581
2.	Provision for Charity Care	49,567	36,832	31,450
3.	Provisions for Bad Debt	65,443	65,619	37,893
	Total Deductions	\$ 3,565,329	\$ 2,467,431	\$ 2,069,924
	NET OPERATING REVENUE	\$ 1,391,384	\$ 1,215,784	\$ 1,075,111
D.	Operating Expenses			
1.	Salaries and Wages	\$ 394,548	348,237	380,306
2.	Physicians Salaries and Wages			
3.	Supplies	177,508	150,137	118,302
4.	Taxes	5,804	4,288	3,894
5.	Depreciation	8,941	5,616	3,102
6.	Rent	16,500	16,500	16,500
7.	Interest, other than Capital			
8.	Management Fees			
	a. Fees to Affiliates			
	b. Fees to Non-Affiliates			
9.	Other Expenses (Specify) <u>See notes page</u>	73,674	65,986	72,280
	Total Operating Expenses	\$ 676,975	\$ 590,764	\$ 594,384
E.	Other Revenue (Expenses) -- Net (Specify)	\$	\$	\$
	NET OPERATING INCOME (LOSS)	\$ 714,409	\$ 625,020	\$ 480,727
F.	Capital Expenditures			
1.	Retirement of Principal	\$	\$	\$
2.	Interest			
	Total Capital Expenditures	\$ 0	\$ 0	\$ 0
	NET OPERATING INCOME (LOSS)			
	LESS CAPITAL EXPENDITURES	\$ 714,409	\$ 625,020	\$ 480,727

**PROJECTED DATA CHART—ALERE SHELBY— PROPOSED NEW COUNTIES ONLY
(ALL DATA ON CALENDAR YEAR BASIS)**

Give information for the two (2) years following the completion of this proposal.

The fiscal year begins in January.

		YEAR ONE	YEAR TWO
	Patients	59	96
A.	Utilization Data		
B.	Revenue from Services to Patients		
1.	Inpatient Services	\$	\$
2.	Outpatient Services		
3.	Emergency Services		
4.	Other Operating Revenue (Specify) <u>See notes page</u>	403,754	656,955
	Gross Operating Revenue	\$ 403,754	\$ 656,955
C.	Deductions for Operating Revenue		
1.	Contractual Adjustments	\$ 264,004	429,565
2.	Provision for Charity Care	4,038	6,570
3.	Provisions for Bad Debt	5,429	8,833
	Total Deductions	\$ 273,471	\$ 444,968
	NET OPERATING REVENUE	\$ 130,283	\$ 211,987
D.	Operating Expenses		
1.	Salaries and Wages	\$ 64,328	131,129
2.	Physicians Salaries and Wages		
3.	Supplies	14,425	22,290
4.	Taxes		
5.	Depreciation		
6.	Rent		
7.	Interest, other than Capital		
8.	Management Fees		
	a. Fees to Affiliates		
	b. Fees to Non-Affiliates		
9.	Other Expenses (Specify) <u>See notes page</u>	2,000	3,000
	Dues, Utilities, Insurance, and Prop Taxes.		
	Total Operating Expenses	\$ 80,753	\$ 156,419
E.	Other Revenue (Expenses) -- Net (Specify)	\$	\$
	NET OPERATING INCOME (LOSS)	\$ 49,530	\$ 55,568
F.	Capital Expenditures		
1.	Retirement of Principal	\$	\$
2.	Interest		
	Total Capital Expenditures	\$ 0	\$ 0
	NET OPERATING INCOME (LOSS)		
	LESS CAPITAL EXPENDITURES	\$ 49,530	\$ 55,568

**PROJECTED DATA CHART-- ALERE SHELBY--WITH CURRENT AND PROPOSED COUNTIES
(ALL DATA ON CALENDAR YEAR BASIS)**

Give information for the two (2) years following the completion of this proposal.

The fiscal year begins in January.

		YEAR ONE	YEAR TWO
	Patients	<u>452</u>	<u>489</u>
A.	Utilization Data		
B.	Revenue from Services to Patients		
1.	Inpatient Services	\$ <u> </u>	\$ <u> </u>
2.	Outpatient Services	<u> </u>	<u> </u>
3.	Emergency Services	<u> </u>	<u> </u>
4.	Other Operating Revenue (Specify) <u>See notes page</u>	<u>3,093,163</u>	<u>3,346,364</u>
	Gross Operating Revenue	\$ <u>3,093,163</u>	\$ <u>3,346,364</u>
C.	Deductions for Operating Revenue		
1.	Contractual Adjustments	\$ <u>2,022,535</u>	<u>2,188,097</u>
2.	Provision for Charity Care	<u>30,932</u>	<u>33,464</u>
3.	Provisions for Bad Debt	<u>41,588</u>	<u>44,992</u>
	Total Deductions	\$ <u>2,095,055</u>	\$ <u>2,266,553</u>
	NET OPERATING REVENUE	\$ <u>998,108</u>	\$ <u>1,079,811</u>
D.	Operating Expenses		
1.	Salaries and Wages	\$ <u>312,209</u>	<u>379,010</u>
2.	Physicians Salaries and Wages	<u> </u>	<u> </u>
3.	Supplies	<u>110,510</u>	<u>118,376</u>
4.	Taxes	<u>3,894</u>	<u>3,894</u>
5.	Depreciation	<u>3,500</u>	<u>3,500</u>
6.	Rent	<u>16,500</u>	<u>16,500</u>
7.	Interest, other than Capital	<u> </u>	<u> </u>
8.	Management Fees		
	a. Fees to Affiliates	<u> </u>	<u> </u>
	b. Fees to Non-Affiliates	<u> </u>	<u> </u>
9.	Other Expenses (Specify) <u>See notes page</u>	<u>59,129</u>	<u>60,129</u>
	<small>Dues, Utilities, Insurance, and Prop Taxes.</small>		
	Total Operating Expenses	\$ <u>505,742</u>	\$ <u>581,409</u>
E.	Other Revenue (Expenses) -- Net (Specify)	\$ <u> </u>	\$ <u> </u>
	NET OPERATING INCOME (LOSS)	\$ <u>492,366</u>	\$ <u>498,402</u>
F.	Capital Expenditures		
1.	Retirement of Principal	\$ <u>0</u>	\$ <u>0</u>
2.	Interest	<u>0</u>	<u>0</u>
	Total Capital Expenditures	\$ <u>0</u>	\$ <u>0</u>
	NET OPERATING INCOME (LOSS)		
	LESS CAPITAL EXPENDITURES	\$ <u>492,366</u>	\$ <u>498,402</u>

Other Expense Detail
ALERE SHELBY

	Historical			Projected (Project)		Projected (Expanded Agency)	
	2012	2013	2014	Yr 1	Yr 2	Yr 1	Yr 2
Courier_Postage Exp	22,202	22,149	17,929	-	-	17,929	17,929
Other	3,816	3,408	3,855	-	-	2,700	2,700
Facilities - R&M	801	605	868	-	-	1,000	1,000
Facilities - Utilities	-	-	-	-	-	-	-
Telephone	5,252	3,535	3,661	-	-	3,000	3,000
Travel	36,766	33,400	41,997	2,000	3,000	32,000	33,000
Misc Sales Expenses	4,837	2,889	3,970	-	-	2,500	2,500
Total Other Exp	73,674	65,986	72,280	2,000	3,000	59,129	60,129

C(II).5. PLEASE IDENTIFY THE PROJECT'S AVERAGE GROSS CHARGE, AVERAGE DEDUCTION FROM OPERATING REVENUE, AND AVERAGE NET CHARGE.

Table Thirteen-A : Average Charges, Deductions, and Net Charges Alere/Shelby Agency--Proposed 16 New Counties Only		
	Year One	Year Two
Patients	59	96
Average Gross Charge Per Patient	\$6,843	\$6,843
Average Deduction Per Patient	\$4,635	\$4,635
Average Net Charge (Net Operating Income) Per Patient	\$2,208	\$2,208
Average Net Operating Income Per Patient After Capital Expenditures	\$839	\$579

Table Thirteen-B : Average Charges, Deductions, and Net Charges Alere/Shelby Agency--Current Plus Proposed Counties		
	Year One	Year Two
Patients	452	489
Average Gross Charge Per Patient	\$6,843	\$6,843
Average Deduction Per Patient	\$4,635	\$4,635
Average Net Charge (Net Operating Income) Per Patient	\$2,208	\$2,208
Average Net Operating Income Per Patient After Capital Expenditures	\$1,089	\$1,019

C(II).6.A. PLEASE PROVIDE THE CURRENT AND PROPOSED CHARGE SCHEDULES FOR THE PROPOSAL. DISCUSS ANY ADJUSTMENT TO CURRENT CHARGES THAT WILL RESULT FROM THE IMPLEMENTATION OF THE PROPOSAL. ADDITIONALLY, DESCRIBE THE ANTICIPATED REVENUE FROM THE PROPOSED PROJECT AND THE IMPACT ON EXISTING PATIENT CHARGES.

Table Fourteen: Alere/Shelby's Charges Per Patient (Current and Proposed Counties)		
	CY2014	Year Two
Agency Total Unduplicated Patients	406	489
Gross Charges, All Services	\$3,145,035	\$3,346,364
Gross Charges Per Patient	\$7,746	\$6,843

Source: Alere management; Historic and Projected Cost Charts.

C(II).6.B. COMPARE THE PROPOSED CHARGES TO THOSE OF SIMILAR FACILITIES IN THE SERVICE AREA/ADJOINING SERVICE AREAS, OR TO PROPOSED CHARGES OF PROJECTS RECENTLY APPROVED BY THE HSDA. IF APPLICABLE, COMPARE THE PROJECTED CHARGES OF THE PROJECT TO THE CURRENT MEDICARE ALLOWABLE FEE SCHEDULE BY COMMON PROCEDURE TERMINOLOGY (CPT) CODE(S).

Table Fifteen-A: 2014 Costs & Charges (Gross Revenues) of Selected Agencies in the Service Area All Disciplines (Except Cost/Visit)				
Agency*	Cost Per Visit SNF ONLY	Gross Revenue Per Unduplicated Patient	Gross Revenue Per Visit	Gross Revenue Per Hour
1	\$91	\$3,161	\$174.13	\$103.80
2	\$164	\$2,262	\$137.60	NA
3	\$175	\$2,343	\$159.28	NA
4	\$114	\$5,274	\$166.52	NA
5	\$175	\$4,092	\$165.05	NA
6	\$96	\$4,322	\$163.72	NA
7	\$88	\$4,116	\$159.68	\$65.87
Alere/Shelby Year One	NR	\$6,843	NR	NR

Source: 2014 Joint Annual Reports; and Alere management.

***Key to Agencies:**

1. Careall Homecare Services, Maury County
2. Magnolia Regional Health Care, Alcorn Co., Mississippi
3. Maury Regional Home Services, Maury County
4. NHC Homecare, Fayette County
5. NHC Homecare, Gibson County
6. NHC Homecare, Maury County
- 6+-
7. Volunteer Home Care, Gibson County

Table Fifteen-B: Alere/Shelby's Average Charges (Gross Revenue) Per Unduplicated Patient (All Counties)		
	CY2014	Year Two
Total Unduplicated Patients	406	489
Gross Charges, All Services	\$3,145,035	\$3,346,364
Total Gross Revenue Per Patient	\$7,746	\$6,843

Source: Alere management.

The applicant focuses on patients whose youth makes them ineligible for Medicare, so the Medicare fee schedule is not applicable.

C(II).7. DISCUSS HOW PROJECTED UTILIZATION RATES WILL BE SUFFICIENT TO MAINTAIN COST-EFFECTIVENESS.

Because this is a home health service with pre-negotiated reimbursement rates from insurers, and known contractual costs for field personnel and supplies, the expansion proposed in West Tennessee will be cost-effective and will operate with a positive margin from the outset.

C(II).8. DISCUSS HOW FINANCIAL VIABILITY WILL BE ENSURED WITHIN TWO YEARS; AND DEMONSTRATE THE AVAILABILITY OF SUFFICIENT CASH FLOW UNTIL FINANCIAL VIABILITY IS MAINTAINED.

This is an existing agency with existing positive cash flow. There will be no delay or interruption in positive cash flow caused by the addition of more patients.

C(II).9. DISCUSS THE PROJECT'S PARTICIPATION IN STATE AND FEDERAL REVENUE PROGRAMS, INCLUDING A DESCRIPTION OF THE EXTENT TO WHICH MEDICARE, TENNCARE/MEDICAID, AND MEDICALLY INDIGENT PATIENTS WILL BE SERVED BY THE PROJECT. IN ADDITION, REPORT THE ESTIMATED DOLLAR AMOUNT OF REVENUE AND PERCENTAGE OF TOTAL PROJECT REVENUE ANTICIPATED FROM EACH OF TENNCARE, MEDICARE, OR OTHER STATE AND FEDERAL SOURCES FOR THE PROPOSAL'S FIRST YEAR OF OPERATION.

Table Sixteen on the following page provides comprehensive payor mix projections for the Alere/Shelby agency. It shows data before contractual adjustment for bad debt. The bad debt shown in the Historic and Projected Data Charts can be added back to the net operating revenue in those charts, and the totals will correspond with the net operating revenue shown in Table 16.

December 16, 2015**4:08 pm****REVISED Table Sixteen: Alere Shelby County Agency--Current and Projected Payor Mix on Gross Revenues (Billings)**

CY 2014	Medicare (All Types)	%	TennCare / Medicaid	%	Commercial	%	Self Pay	%	Other/Charity	%	Total (100%)
Patients		0.0%	166	41.0%	236	58.0%	4	1%	0	0.0%	406
Gross Revenue		0.0%	\$1,223,418.62	38.9%	\$1,890,166.04	60.1%	\$31,450.35	1%	\$0.00	0.0%	\$3,145,035.00
Net Revenue		0.0%	\$385,099.38	34.6%	\$726,791.61	65.3%	\$1,113.00	0.1%	\$0.00	0.0%	\$1,113,004.00
Gross Revenue/Patient			\$7,369.99		\$8,009.18		\$7,862.59		#DIV/0!		\$7,746.39
Net Revenue/Patient			\$2,319.88		\$3,079.63		\$278.25		#DIV/0!		\$2,741.39
Year One	Medicare (All Types)	%	TennCare / Medicaid	%	Commercial	%	Self Pay	%	Other/Charity	%	Total (100%)
Patients		0.0%	185	41.0%	263	58.0%	4	1%	0.0		452
Gross Revenue		0.0%	\$1,203,240.41	38.9%	\$1,858,990.96	60.1%	\$30,931.63	1%	\$0.00		\$3,093,163.00
Net Revenue		0.0%	\$359,734.82	34.6%	\$678,921.49	65.3%	\$1,039.70	0.1%	\$0.00		\$1,039,696.00
Gross Revenue/Patient			\$6,504.00		\$7,068.41		\$7,732.91		#DIV/0!		\$6,843.28
Net Revenue/Patient			\$1,944.51		\$2,581.45		\$259.92		#DIV/0!		\$2,300.21
Year Two	Medicare (All Types)	%	TennCare / Medicaid	%	Commercial	%	Self Pay	%	Other/Charity	%	Total (100%)
Patients		0.0%	200	41.0%	284	58.0%	5	1%	0.0		489
Gross Revenue		0.0%	\$1,301,735.60	38.9%	\$2,011,164.76	60.1%	\$33,463.64	1%	\$0.00		\$3,346,364.00
Net Revenue		0.0%	\$389,182.18	34.6%	\$734,497.01	65.3%	\$1,124.80	0.1%	\$0.00		\$1,124,804.00
Gross Revenue/Patient			\$6,508.68		\$7,081.57		\$6,692.73		#DIV/0!		\$6,843.28
Net Revenue/Patient			\$1,945.91		\$2,586.26		\$224.96		#DIV/0!		\$2,300.21

Source: Alere management.

Note: This data is on a calendar year basis. It is not consistent with Alere's 2014 Joint Annual Report for two reasons:

1. The JAR is for the period ending June 30, 2014; this table is for the period ending December 31, 2014.
2. Alere has reported net revenue in its JAR rather than gross revenue because Alere bills only on a net revenue basis, at pre-negotiated "bundled" per diem rates. The table above shows gross revenues applicable before negotiating discounts for billing purposes.

C(II).10. PROVIDE COPIES OF THE BALANCE SHEET AND INCOME STATEMENT FROM THE MOST RECENT REPORTING PERIOD OF THE INSTITUTION, AND THE MOST RECENT AUDITED FINANCIAL STATEMENTS WITH ACCOMPANYING NOTES, IF APPLICABLE. FOR NEW PROJECTS, PROVIDE FINANCIAL INFORMATION FOR THE CORPORATION, PARTNERSHIP, OR PRINCIPAL PARTIES INVOLVED WITH THE PROJECT. COPIES MUST BE INSERTED AT THE END OF THE APPLICATION, IN THE CORRECT ALPHANUMERIC ORDER AND LABELED AS ATTACHMENT C, ECONOMIC FEASIBILITY--10.

These are provided as Attachment C, Economic Feasibility--10.

C(II).11. DESCRIBE ALL ALTERNATIVES TO THIS PROJECT WHICH WERE CONSIDERED AND DISCUSS THE ADVANTAGES AND DISADVANTAGES OF EACH ALTERNATIVE, INCLUDING BUT NOT LIMITED TO:

A. A DISCUSSION REGARDING THE AVAILABILITY OF LESS COSTLY, MORE EFFECTIVE, AND/OR MORE EFFICIENT ALTERNATIVE METHODS OF PROVIDING THE BENEFITS INTENDED BY THE PROPOSAL. IF DEVELOPMENT OF SUCH ALTERNATIVES IS NOT PRACTICABLE, THE APPLICANT SHOULD JUSTIFY WHY NOT, INCLUDING REASONS AS TO WHY THEY WERE REJECTED.

B. THE APPLICANT SHOULD DOCUMENT THAT CONSIDERATION HAS BEEN GIVEN TO ALTERNATIVES TO NEW CONSTRUCTION, E.G., MODERNIZATION OR SHARING ARRANGEMENTS. IT SHOULD BE DOCUMENTED THAT SUPERIOR ALTERNATIVES HAVE BEEN IMPLEMENTED TO THE MAXIMUM EXTENT PRACTICABLE.

After the CON process costs are incurred, the only cost to the applicant of implementing the project is a minor expenditure for minor equipment. The entire project cost will not exceed \$79,000, and may cost less if significant opposition is not encountered during CON review.

The applicant decided to pursue this project due to continuous requests from referring physicians to extend their services into a wider geography. The choice of counties was dictated by a long-range plan to expand Alere into a Statewide provider--for greater ease of contracting to serve the TennCare population that comprises the great majority of its patients.

C(III).1. LIST ALL EXISTING HEALTH CARE PROVIDERS (I.E., HOSPITALS, NURSING HOMES, HOME CARE ORGANIZATIONS, ETC.) MANAGED CARE ORGANIZATIONS, ALLIANCES, AND/OR NETWORKS WITH WHICH THE APPLICANT CURRENTLY HAS OR PLANS TO HAVE CONTRACTUAL AND/OR WORKING RELATIONSHIPS, E.G., TRANSFER AGREEMENTS, CONTRACTUAL AGREEMENTS FOR HEALTH SERVICES.

Alere does not require transfer agreements because Alere is a service organization rather than a facility. If Alere patients develop a need for hospitalization, their physicians and patients request admission and (if needed) patient transport via ambulance. Alere's most continuous contact is with the three TennCare MCO's who request Alere to provide obstetrical home care to their high-risk enrollees. Alere has negotiated reimbursement contracts with all area MCO's.

C(III).2. DESCRIBE THE POSITIVE AND/OR NEGATIVE EFFECTS OF THE PROPOSAL ON THE HEALTH CARE SYSTEM. PLEASE BE SURE TO DISCUSS ANY INSTANCES OF DUPLICATION OR COMPETITION ARISING FROM YOUR PROPOSAL, INCLUDING A DESCRIPTION OF THE EFFECT THE PROPOSAL WILL HAVE ON THE UTILIZATION RATES OF EXISTING PROVIDERS IN THE SERVICE AREA OF THE PROJECT.

Alere believes that this project does not duplicate other agencies' care for this type and age of patient, based on its own familiarity with those agencies, its phone surveys of those agencies, and the apparently minimal services provided to women of childbearing age as documented in the statistical tables discussed in the Need section of this application.

Even if Alere's entry would take all of its patients from other providers, the Alere patient base will be so small (96 patients in Year Two) that there should be no significant adverse impacts on existing providers.

The project will have positive impacts on patient health in these rural counties. Tennessee is still above the national average for premature births. This rural area and those who pay for its maternal and infant health care needs (particularly TennCare) need to reduce this set of health problems. That will require expansion of clinically sophisticated home care support through proven and financially accessible providers such

as Alere. That expansion will create greater awareness and confidence in home care, among referring obstetricians and their patients. The strongest impact of the project will be a positive one that is difficult to quantify--the reduction of costly Emergency Room visits, maternal acute care admissions, NICU admissions of preterm babies, and excessive visits to overcrowded obstetricians' practice offices. These burdensome and expensive events can be significantly reduced by Alere's home care; and it is those patients--rather than other agencies' patient--that Alere's application is targeting.

One alternative to obtaining its own authorization for home care services in these new counties would appear to be for Alere to subcontract its services to existing agencies. If optimal patient outcomes could be assured, Alere would be willing to do that, and has done so in the past in a few areas. But Alere has now ceased to subcontract its services to other home health agencies, because of difficulty with controlling the scope and costs of care in a manner that optimizes good outcomes. This is an area with serious liability risks and Alere is not willing to share control of patient care with another party that is inexperienced in that care. It is not feasible.

C(III).3. PROVIDE THE CURRENT AND/OR ANTICIPATED STAFFING PATTERN FOR ALL EMPLOYEES PROVIDING PATIENT CARE FOR THE PROJECT. THIS CAN BE REPORTED USING FTE'S FOR THESE POSITIONS. IN ADDITION, PLEASE COMPARE THE CLINICAL STAFF SALARIES IN THE PROPOSAL TO PREVAILING WAGE PATTERNS IN THE SERVICE AREA AS PUBLISHED BY THE TENNESSEE DEPARTMENT OF LABOR & WORKFORCE DEVELOPMENT AND/OR OTHER DOCUMENTED SOURCES.

Not available. Registered nurses are the only type of employee in this project. The Department of Labor and Workforce Development website no longer provides 2014 or 2015 occupational wage salary survey information for nurses other than licensed practical or vocational nurses.

Please see the following page for Table Eighteen, which shows the project's FTE's and salary ranges.

**Table Eighteen: Alere Shelby County Agency
Current and Projected Staffing**

Position Type (RN, etc.)	Current 2015 FTE's	Yr 1 2016 FTE's	Yr 2 2017 FTE's	Annual Salary Range 2015	
				Minimum	Maximum
Office Positions, Management and Clinical					
Administrative Assistant	1.00	1.00	1.00	\$27,892.00	\$48,900.00
Home Care Director	1.00	1.00	1.00	\$57,800.00	\$103,700.00
Administrative Assistant (Call Center Support)	0.75	1.00	1.50	\$27,892.00	\$48,900.00
Perinatal Clinicians (Call Center Support)	0.50	1.00	1.50	\$40,810.00	\$72,300.00
Account Executive	1.00	1.00	1.00	\$45,500.00	\$80,100.00
Subtotal, Office FTE's	4.25	5.00	6.00		
Clinical Positions in Field (Direct Patient Care)					
Patient Educators Current 8 (1 is 1.0 FTE)	2.00	3.20	4.40	\$48,505.00	\$86,403.00
2016 15 2017 25					
Subtotal, Field FTE's	2.00	5.20	8.20		
Total, Office and Field FTE's	6.25	10.20	14.20		

Source: Alere Management

C(III).4. DISCUSS THE AVAILABILITY OF AND ACCESSIBILITY TO HUMAN RESOURCES REQUIRED BY THE PROPOSAL, INCLUDING ADEQUATE PROFESSIONAL STAFF, AS PER THE DEPARTMENT OF HEALTH, THE DEPARTMENT OF MENTAL HEALTH AND DEVELOPMENTAL DISABILITIES, AND/OR THE DIVISION OF MENTAL RETARDATION SERVICES LICENSING REQUIREMENTS.

Currently Alere/Shelby's pool of direct patient care employees consists of 8 OB RN's whose assigned caseloads will total 2.0 FTE equivalents in CY2015. Some of these OB RN's live in close proximity to one or more of the proposed counties, so Alere can begin service to those counties immediately after CON approval. Another 4.25 FTE equivalents are management and Call Center support personnel.

The addition of all 16 new counties with their estimated 96 additional patients, combined with the continuing cases from Alere/Hamilton's current service area, will cause Alere's direct patient care OB RN employees to increase from 8 to 25 RNs in Year Two. Days of service requested of both current and additional RN's (and the central office and call center support staff) will cumulatively total approximately 14.2 FTE equivalents, as indicated by the staffing data in Table Eighteen. Of that, 4.4 FTE equivalents are cumulative per diems from the pool of qualified OB RN's ("Patient Educators" in the field) who are employed by Alere to perform home care services under Alere protocols and the direction of supervising physicians.

C(III).5. VERIFY THAT THE APPLICANT HAS REVIEWED AND UNDERSTANDS THE LICENSING CERTIFICATION AS REQUIRED BY THE STATE OF TENNESSEE FOR MEDICAL/CLINICAL STAFF. THESE INCLUDE, WITHOUT LIMITATION, REGULATIONS CONCERNING PHYSICIAN SUPERVISION, CREDENTIALING, ADMISSIONS PRIVILEGES, QUALITY ASSURANCE POLICIES AND PROGRAMS, UTILIZATION REVIEW POLICIES AND PROGRAMS, RECORD KEEPING, AND STAFF EDUCATION.

The applicant so verifies.

C(III).6. DISCUSS YOUR HEALTH CARE INSTITUTION'S PARTICIPATION IN THE TRAINING OF STUDENTS IN THE AREAS OF MEDICINE, NURSING, SOCIAL WORK, ETC. (I.E., INTERNSHIPS, RESIDENCIES, ETC.).

This agency does not participate in the training of health care professionals.

C(III).7(a). PLEASE VERIFY, AS APPLICABLE, THAT THE APPLICANT HAS REVIEWED AND UNDERSTANDS THE LICENSURE REQUIREMENTS OF THE DEPARTMENT OF HEALTH, THE DEPARTMENT OF MENTAL HEALTH AND DEVELOPMENTAL DISABILITIES, THE DIVISION OF MENTAL RETARDATION SERVICES, AND/OR ANY APPLICABLE MEDICARE REQUIREMENTS.

The applicant so verifies.

C(III).7(b). PROVIDE THE NAME OF THE ENTITY FROM WHICH THE APPLICANT HAS RECEIVED OR WILL RECEIVE LICENSURE, CERTIFICATION, AND/OR ACCREDITATION

LICENSURE: Board for Licensure of Healthcare Facilities
Tennessee Department of Health

CERTIFICATION: None required by Medicare or TennCare

ACCREDITATION: Joint Commission (System-wide)

C(III).7(c). IF AN EXISTING INSTITUTION, PLEASE DESCRIBE THE CURRENT STANDING WITH ANY LICENSING, CERTIFYING, OR ACCREDITING AGENCY OR AGENCY.

The applicant is currently licensed in good standing by the Board for Licensing Health Care Facilities, and fully "system-wide" accredited by the Joint Commission (JC). System-wide accreditation is the JC's process for efficient accreditation of a large system of agencies by surveys of a random sampling of their sites. This suffices to provide a "system-wide" accreditation of all the providers' sites. Alere has earned the Joint Commission's Gold Seal for system-wide excellence.

None of Alere's Tennessee agencies has been selected as a JC system-wide survey site. Please see the relevant documents in the Attachments for the survey results of JC's selected sites. The JC accreditation letter is addressed to the Alere office responsible for all Alere accreditation activities.

C(III).7(d). FOR EXISTING LICENSED PROVIDERS, DOCUMENT THAT ALL DEFICIENCIES (IF ANY) CITED IN THE LAST LICENSURE CERTIFICATION AND INSPECTION HAVE BEEN ADDRESSED THROUGH AN APPROVED PLAN OF CORRECTION. PLEASE INCLUDE A COPY OF THE MOST RECENT LICENSURE/CERTIFICATION INSPECTION WITH AN APPROVED PLAN OF CORRECTION.

They have been addressed. A copy of the most recent licensure inspection and plan of correction, and/or the most recent accreditation inspection, are provided in Attachment C, Orderly Development--7(C).

C(III)8. DOCUMENT AND EXPLAIN ANY FINAL ORDERS OR JUDGMENTS ENTERED IN ANY STATE OR COUNTRY BY A LICENSING AGENCY OR COURT AGAINST PROFESSIONAL LICENSES HELD BY THE APPLICANT OR ANY ENTITIES OR PERSONS WITH MORE THAN A 5% OWNERSHIP INTEREST IN THE APPLICANT. SUCH INFORMATION IS TO BE PROVIDED FOR LICENSES REGARDLESS OF WHETHER SUCH LICENSE IS CURRENTLY HELD.

None.

C(III)9. IDENTIFY AND EXPLAIN ANY FINAL CIVIL OR CRIMINAL JUDGMENTS FOR FRAUD OR THEFT AGAINST ANY PERSON OR ENTITY WITH MORE THAN A 5% OWNERSHIP INTEREST IN THE PROJECT.

None.

C(III)10. IF THE PROPOSAL IS APPROVED, PLEASE DISCUSS WHETHER THE APPLICANT WILL PROVIDE THE THSDA AND/OR THE REVIEWING AGENCY INFORMATION CONCERNING THE NUMBER OF PATIENTS TREATED, THE NUMBER AND TYPE OF PROCEDURES PERFORMED, AND OTHER DATA AS REQUIRED.

Yes. The applicant will provide the requested data consistent with Federal HIPAA requirements.

PROOF OF PUBLICATION

Attached.

DEVELOPMENT SCHEDULE

1. PLEASE COMPLETE THE PROJECT COMPLETION FORECAST CHART ON THE NEXT PAGE. IF THE PROJECT WILL BE COMPLETED IN MULTIPLE PHASES, PLEASE IDENTIFY THE ANTICIPATED COMPLETION DATE FOR EACH PHASE.

The Project Completion Forecast Chart is provided after this page.

2. IF THE RESPONSE TO THE PRECEDING QUESTION INDICATES THAT THE APPLICANT DOES NOT ANTICIPATE COMPLETING THE PROJECT WITHIN THE PERIOD OF VALIDITY AS DEFINED IN THE PRECEDING PARAGRAPH, PLEASE STATE BELOW ANY REQUEST FOR AN EXTENDED SCHEDULE AND DOCUMENT THE "GOOD CAUSE" FOR SUCH AN EXTENSION.

Not applicable. The applicant anticipates completing the project within the period of validity.

PROJECT COMPLETION FORECAST CHART

Enter the Agency projected Initial Decision Date, as published in Rule 68-11-1609(c):

March 23, 2016

Assuming the CON decision becomes the final Agency action on that date, indicate the number of days from the above agency decision date to each phase of the completion forecast.

PHASE	DAYS REQUIRED	Anticipated Date (MONTH /YEAR)
1. Architectural & engineering contract signed		
2. Construction documents approved by TDH		
3. Construction contract signed		
4. Building permit secured		
5. Site preparation completed		
6. Building construction commenced		
7. Construction 40% complete		
8. Construction 80% complete		
9. Construction 100% complete		
10. * Issuance of license	127	8-1-16
11. *Initiation of service	157	9-1-16
12. Final architectural certification of payment	NA	NA
13. Final Project Report Form (HF0055)	187	10-1-16

*** For projects that do NOT involve construction or renovation: please complete items 10-11 only.**

Note: If litigation occurs, the completion forecast will be adjusted at the time of the final determination to reflect the actual issue date.

INDEX OF ATTACHMENTS

A.4	Ownership--Legal Entity Documentation
A.6	Documentation of Site Control
C, Need--3	Service Area Maps
C, Economic Feasibility--2	Documentation of Availability of Funding
C, Economic Feasibility--10	Financial Statements
C, Orderly Development--7(C)	Licensing & Accreditation Inspections
Miscellaneous Information	<ol style="list-style-type: none"> 1. Base Table 1 (Existing Agency Utilization) 2. Base Table 2 (Existing Agency Patient Origin) 3. Table Seven-C 4. TennCare Enrollments By County, Sept 2015 5. U.S. Census Quickfacts, PSA Counties
Support Letters	

A.4--Ownership
Legal Entity and Organization Chart

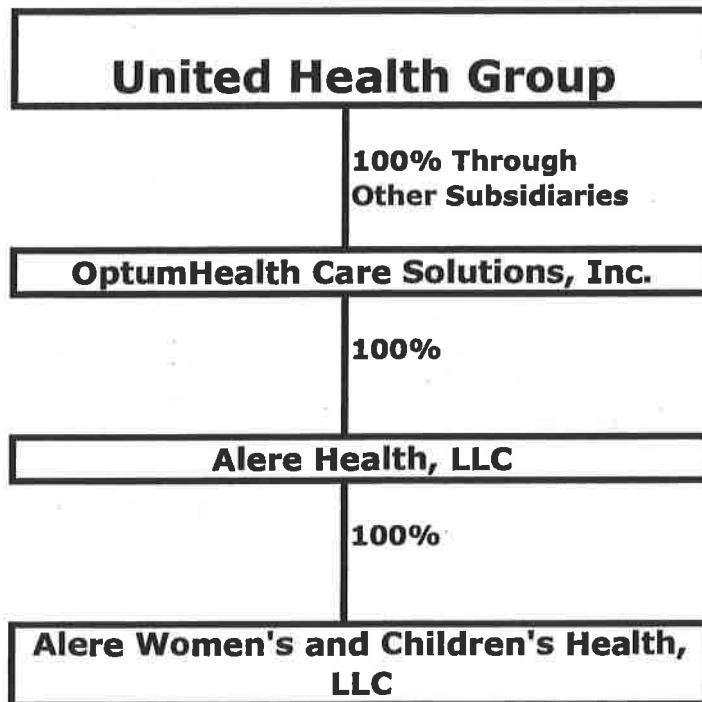
Notes on Alere Women's and Children's Health, LLC

The applicant is Alere Women's and Children's Health, LLC. Its present name is the result of several reorganizations and name changes that are summarized below. The first page of this Attachment is documentation from the Tennessee Secretary of State that it is registered in good standing to do business in Tennessee.

Some years ago, two corporations named Tokos and Healthdyne merged, with Healthdyne being the surviving corporation, which then changed its name to Matria Healthcare, Inc. and then changed it again to Matria Women's and Children's Health, Inc. By special authorization of the IRS, it was allowed to convert into an LLC, Matria Women's and Children's Health, LLC. That LLC changed its name to Alere Women's and Children's Health, LLC, the applicant's current name. From Healthdyne on, this entity has kept the same tax ID number and has been the same legal entity for purposes of a Certificate of Need application.

There are no individuals with membership interests in the applicant LLC. There are no plans to expand its ownership in the future. As stated in the application on page 5 (Executive Summary), Alere Women's and Children's Health, LLC is a wholly owned subsidiary of Alere Health, LLC, which is wholly owned by OptumHealth Care Solutions, Inc., which is ultimately owned by United Health Group, a publicly traded company.

United Health Group is a very large publicly traded company with multiple divisions and services. The only home health care entity it owns directly or indirectly is Alere Women's and Children's Health, LLC. It owns no licensed physical facilities such as hospitals or nursing homes. Alere Women's and Children's Health, LLC has home health agencies licensed in twenty States.



Alere Women's and Children's Health, LLC Licensed Home Care Agencies in Tennessee	
Home Care Agency	Licensed Counties
SOUTHEAST TENNESSEE Alere Women's and Children's Health, LLC 651 East Fourth Street, Suite 100 Chattanooga, TN 37403 Angela Coffee, RN 423-634-3207	Bledsoe
	Bradley
	Coffee
	Grundy
	Hamilton
	Marion
	McMinn
	Melgs
	Monroe
	Polk
	Rhea
	Sequatchie
	Warren
	(13 counties)
WEST TENNESSEE Alere Women's and Children's Health, LLC 3175 Lenox Park Blvd, Suite 400 Memphis, TN 38115 Elizabeth Summers (901)756-6444	Fayette
	Hardeman
	Haywood
	Lauderdale
	Madison
	Shelby
	Tipton
	(7 counties)
MIDDLE TENNESSEE Alere Women's and Children's Health, LLC 1926 Hayes Street, Suite 111 Nashville, TN 37203 Laura Milner, RN 615-320-3270	Bedford
	Cannon
	Cheatham
	Clay
	Cumberland
	Davidson
	DeKalb
	Dickson
	Fentress
	Franklin
	Giles
	Hickman
	Houston
	Humphreys
	Jackson
	Lawrence
	Lewis
	Llncoln
	Macon
	Marshall
	Maury
	Montgomery
	Moore
	Overton
	Pickett
	Putnam
	Robertson
	Rutherford
	Smith
	Stewart
	Sumner
	Trousdale
	VanBuren
	White
	Williamson
	Wilson
	(36 counties)

Board for Licensing Health Care Facilities



State of

Tennessee

License No. 00000000459

DEPARTMENT OF HEALTH

This is to certify, that a license is hereby granted by the State Department of Health to

ALERE WOMEN'S AND CHILDREN'S HEALTH, LLC to conduct and maintain a

Home Care Organization ALERE WOMEN'S AND CHILDREN'S HEALTH, LLC

Located at 7519 CAPITAL DRIVE, SUITE 2, GERMANTOWN

County of SHELBY, Tennessee.

This license shall expire APRIL 30, 2016, *and is subject to the provisions of Chapter 11, Tennessee Code Annotated. This license shall not be assignable or transferable, and shall be subject to revocation at any time by the State Department of Health, for failure to comply with the laws of the State of Tennessee or the rules and regulations of the State Department of Health issued thereunder.*

In Witness Whereof, we have hereunto set our hand and seal of the State this 30TH *day of* APRIL, 2015.

In the District Category(ies) of: SKILLED NURSING HOME HEALTH AGENCY



By *Lucius J. Davis, MPH*
DIRECTOR, DIVISION OF HEALTH CARE FACILITIES

By *MAJ. D. H.*
COMMISSIONER

Alere Women's and Children's Health, LLC

Germantown, TN

has been Accredited by



The Joint Commission

Which has surveyed this organization and found it to meet the requirements for accreditation.

May 23, 2013

Accreditation is customarily valid for up to 36 months.


Rebecca J. Patchin, MD
Chair, Board of Commissioners

Organization ID #436425
Print/Reprint Date 12/19/13


Mark R. Chassin, MD, FACP, MPP, MPH
President

The Joint Commission is an independent, not-for-profit, national body that oversees the safety and quality of health care and other services provided in accredited organizations. Information about accredited organizations may be provided directly to The Joint Commission at 1-800-994-6610. Information regarding accreditation and the accreditation performance of individual organizations can be obtained through The Joint Commission's web site at www.jointcommission.org





July 17, 2013

Mike Cotton
Chief Executive Officer
Alere Women's and Children's Health, LLC
3200 Windy Hill Road, Suite B-100
Atlanta, GA 30339

Joint Commission ID #: 436425
Program: Home Care Accreditation
Accreditation Activity: 60-day Evidence of
Standards Compliance
Accreditation Activity Completed: 07/17/2013

Dear Mr. Cotton:

The Joint Commission would like to thank your organization for participating in the accreditation process. This process is designed to help your organization continuously provide safe, high-quality care, treatment, and services by identifying opportunities for improvement in your processes and helping you follow through on and implement these improvements. We encourage you to use the accreditation process as a continuous standards compliance and operational improvement tool.

The Joint Commission is granting your organization an accreditation decision of Accredited for all services surveyed under the applicable manual(s) noted below:

- Comprehensive Accreditation Manual for Home Care

This accreditation cycle is effective beginning May 15, 2013. The Joint Commission reserves the right to shorten or lengthen the duration of the cycle; however, the certificate and cycle are customarily valid for up to 36 months.

Please visit [Quality Check®](#) on The Joint Commission web site for updated information related to your accreditation decision.

We encourage you to share this accreditation decision with your organization's appropriate staff, leadership, and governing body. You may also want to inform the state or regional regulatory services, and the public you serve of your organization's accreditation decision.

Please be assured that The Joint Commission will keep the report confidential, except as required by law. To ensure that The Joint Commission's information about your organization is always accurate and current, our policy requires that you inform us of any changes in the name or ownership of your organization or the health care services you provide.

Sincerely,

Mark G. Pelletier, RN, MS

Chief Operating Officer

Division of Accreditation and Certification Operations

Norman S. Ryan, M.D.

706 Laurel Avenue
Wilmette, Illinois 60091
(847) 906-4046 (home)
(312) 620-2096 (office)

Norman.ryan@alere.com nsryan@sbcglobal.net norman_ryan@rush.edu

Professional Experience

Alere Health

2013-present **Senior Vice President, Health Intelligence and Chief Medical Officer, Quality Alere Health**
(Subsidiary of Alere, Inc., Waltham, Massachusetts)

- Raised effectiveness of health intelligence in areas of technical innovation, product development, clinical effectiveness, financial analysis related to performance guarantees and cross-functional team development
- Executive Transition team member for recent divestiture of Alere Health (Alere, Inc. subsidiary) during multiple negotiations, presentations with both financial and strategic potential purchasers
- Performed research and analysis to demonstrate value of Alere Health programs
- Designed, organized and provided analytics support to Alere Health pilot programs enhancing clinical effectiveness
- Participated in and directed development of predictive modeling for vulnerable populations
- Supported clinical direction in diverse clinical programs
- Key point of contact for industry consultants
- Oversaw quality initiatives throughout the organization as an executive function in Alere Health; Chair Quality Improvement Committee
- Supported and participated in research studies for publication
- Participated in strategic alliances related to analytics and reporting
- Participated in industry thought leadership initiatives on population health management effectiveness measurement and reporting (PHA, HERO, other)
- Book of business outcomes analysis

Rush University Medical Center

2010 - 2013 **Senior Medical Director, Rush Health (Physician Hospital Organization for Rush University Medical Center, Chicago)**

- Practicing Family Physician/Geriatrician
- Rush University Medical Center College of Medicine Faculty
- Awarded Rush Excellence in Clinical Service award 2012 for work on development of Medical Homes at Rush. Inter-professional team achieved 2011 NCQA level III Medical

Home recognition for 7 practices at Rush. Participated in development of 43,000 patient registry, enhancements to Epic EMR to accommodate new data collection models, cross departmental integration for coordination of care, new reporting of results and outcomes, cooperation with multiple professionals to participate in effort as well as application and interaction with NCQA.

- Member Rush University hospital readmission taskforce
- Lead on multiple integrated health system clinical performance committees
- Team development of clinical decision support modules in Epic electronic medical record
- Accountable care organization (ACO) development taskforce
- Member Advisory Board University of Illinois Roybal Center for Health Promotion and Behavior Change

2006-2010

- Assistant Professor Family Medicine
- Practicing Family Physician/Geriatrician
- Instructor Physical Diagnosis
- Supervisor homeless shelter medical clinic
- Member advisory board, State of Illinois Department on Aging long-term care
- Advisor/mentor for award winning team Kellogg School of Business/Northwestern Medical School/Chest Foundation Disparities in Asthma Care case competition
- Member Advisory Board UIC Roybal Center for Health Promotion and Behavior Change
- Member Advisory Board UIC CDC sponsored Worksite Wellness Project

United Healthcare

2003-2006

National Medical Director, Medical Management Programs, United Healthcare Clinical Operations

Responsible for the clinical development and implementation of United Healthcare (UHC) medical management programs throughout the United States in such areas as onsite nursing and case management. In addition, responsibility for clinical integration of newly-acquired companies and the oversight of clinical programs developed for and purchased by United Healthcare

- Onsite Hospital Assessment Program: To help expedite in-patient care as well as the transitions to outpatient settings, organized project concept, developed and implemented national onsite program for medical personnel in target hospitals. Managed 35% inpatient hospital utilization in the U.S. for United Healthcare in key, highest volume hospitals throughout the country with positive measured pre/post case-mix adjusted results for length of stay and quality
- Spectrum program: Developed low-touch, high-volume telephonic case management program, "Spectrum", in KY and FL test markets. Using only evidenced-based interventions, developed connections between at-risk participants and the medical system to improve measured outcomes in selected disease areas. Focus on congestive heart failure, coronary artery disease, diabetes. Using case-mix, risk-adjusted methodology demonstrated results of total intervention and subgroup performance.
- Vendor oversight - SPECKSS: Developed framework for consistent, required, enterprise-wide evaluation of clinical outreach programs using overview criteria for evaluation at

system level: Total size of target population; modifiable percentage of population; engaged percentage of population; enrolled percentage of population; "key value levers" which if modified predict positive change, improvements in clinical outcomes and costs; and improvement validation through identified data sources/ control groups. For each criteria a set of evidence was required to demonstrate validity of statements.

- Community Acquired Pneumonia multifaceted national project focused on Respiratory syncycial virus infection (RSV) prevention, Community Acquired Pneumonia guideline awareness, influenza and pneumovax immunizations

2003

Divisional Medical Director Medical Expense Management, Clinical Operations North Division. Remained part-time in CMO role, Illinois until June 03. Member President's Leadership Development Program

- Oversaw development and implementation of all Medical Expense Management activities for the North Division
- Matrixed responsibility for performance management of Medical Directors in the Northern United States for medical expense management activities
- Led project to attenuate hospital utilization trend in UHC. Spearheaded inter-segment project to align efforts and develop cooperation between sister companies, Care Management and Ingenix, with United Healthcare
- Developed hospital utilization targets for each UHC market through negotiation with associated partners in markets, Care Management and Ingenix
- Headed team development of authorization-based hospital utilization early warning reporting tool for management of hospital days (Bellwether report)
- Participated with Ingenix in development of claims-based hospital utilization reporting tool for the market level
- Developed with team the hospital data sharing "HDS" approach and tools.
- Implemented hospital data sharing nationally
- Developed multifaceted national project for community-acquired pneumonia with educational and public sector involvement in addition to the more traditional datasharing activities and best practice dissemination. Managed multiple funding streams in collaboration with Ingenix
- Developed national rapid response project for arthroscopy following New England Journal of Medicine article describing new evidence of best practice in this area.
- Participated in early development of employer data sharing (Lanco-Chicago based company)
- Member President's Leadership Development Program for valuable top talent management employees in United Healthcare

2001

Chief Medical Officer and Vice President, United Healthcare Illinois responsible for medical services in 1 million member health plan in Illinois.

1999

Vice President Health Services, United Healthcare, Illinois

Medical head of 1,000,000 member mixed-model managed care plan in Illinois during turnaround. Responsibilities for all medical management related activities. Head of Government Sales department. Responsible for medical aspects of turnaround of troubled company with multi-year history of losses in both finances and reputation

- Reduced excess hospital admission rates using both collegial-collaborative methods and

- high technology predictive modeling
- Hired new team of directors, medical directors, project managers
- Upgraded reputation of reputation-challenged company in physician community
- Rebuilt Clinical Advisory Committee to give advice to our company from broad range of sources including academic, group practice, solo practice, organized medicine
- Participated in Illinois State Medical Society including appointment to Council on Economics to stay in tune with needs and viewpoints of medical community which has conflicted relationship with managed care
- Spearheaded with team the cultural change to "Care Coordination" philosophy internally, eliminating utilization management approach
- For first time in company history achieved JCAHO accreditation with exceptionally high scores in local and site surveys. Full three year accreditation .
- Reconfigured quality management team and approach toward "active quality management"
- Headed Medicare network reconfiguration project as Head of Government Sales
- Made university connections for future research, with original proposals now in place
- Continued in medical practice on part-time basis, incorporating medical student and resident education activities
- Presented to CDC national conference on chronic care, participated in review of world literature on exercise in the elderly and continued to shepherd development and expansion of SHAPE, the Senior Health Alliance Promoting Exercise, in Chicago to improve the health of our community

Humana Health Care Plans, Illinois

1997- 1999

Market Medical Director

Responsible for medical management in approximately 750,000 member health plans in Illinois and northwest Indiana with POS, ASO, HMO, PPO and specialty lines of business. Lead through ongoing challenges to remain largest and first or second most profitable plan in Humana nationally. Managed through sale and divestiture of 220,000 member group medical practice, which had been an integral part of health plan from its inception

1993-1997

Medical Director, Network Management

Medical Director responsible at several levels for approximately 650,000 members in direct contract IPA-model, Point of Service, ASO contracts, PPO, as well as Staff Model and Affiliated Medical Groups of Staff Model. Assisted in expansion of this network from 60,000 in 1993 to 650,000 in 1997

Member of senior management of one of the largest multi-specialty medical group practices in the United States with 220,000 members and 220 employed physicians

Overall responsibility for direction and strategic planning of all Utilization Management activities in both Staff Model and contracted IPA-model managed care plans. Responsible for quality management, relationship management and involvement in strategic planning, network development, credentialing and contracting in the contracted network

Rush Health Plans

1993 Acting Medical Director

130,000 member mixed-model Health Plan in Chicago

1990-1993 Associate Medical Director for Utilization Management

Overall responsibility for utilization of medical resources for the Rush Anchor HMO. Supervised department of 50 Utilization Management employees in 21 offices in Illinois and Indiana. Effected utilization of resources through consistent and directed cultural change in the medical practice of both employed physicians and network of consultant specialists

- Established and implemented policies which reduced non-Medicare hospital days utilization by 12%, yielding millions in decreased yearly hospital costs
- Supervised team of physicians managing care of patients from branch offices hospitalized at Rush-Presbyterian-St. Luke's Medical Center; improved efficiency of tertiary care and communication with network physicians. (Early "hospitalists")
- Directed development of comprehensive office and specialty-specific consultant directory prioritized by desirability of contract. Implemented use of directory in managing referrals within contracted network
- Authored organ transplant policy
- Originated, edited and published newsletter of clinical activities, incorporating Utilization Management, Quality Management and Pharmacy control data, in order to facilitate information dispersal throughout regional network

1990 Director of Quality Management Interim Director of Utilization Management

Conducted case review and risk management activities. Promoted health maintenance protocols and policies in addition to directing Utilization Management department

Professional Activities

United Healthcare

- National Clinical Operations leadership team, United Healthcare, National Medical Director Medical Management Programs
- Key management North Division United Healthcare
- Senior Management, United Healthcare, Illinois
- Chairman, Medical Commission, Illinois Association of Health Plans
- Appointee to Governor's commission on Credentialing for State of Illinois
- Illinois State Medical Society Council on Economics
- Member of SIP13 Advisory Board, researching world literature on exercise in elderly under CDC/NIH grant
- Key participant in and founding member of SHAPE Senior Health Alliance Promoting Exercise Public/private coalition to promote health in Chicago area seniors
- Elected Member of the Institute of Medicine of Chicago, 2001
- Kickoff speaker and founding participant Antibiotic Education Council of Illinois October 2002

- Member of United Healthcare President's Leadership Development Program 2003
- Overall oversight internal and external disease management vendors, including chf, neonatology, diabetes, asthma
- Worked closely with companies developing predictive modeling using artificial intelligence to determine likely persons to fall into high risk medical categories over time (Landacorp)
- Organized north division clinical analytics team

1993-1999 **Humana**

- Senior Management, Humana Health Plans, Inc., Chicago Market
- NCQA steering committee for Chicago Market – successful full, three year accreditations twice
- Chair Clinical Quality Committee, Co-Chair Quality Council, Humana
- Chair, Market Utilization Management Committee, Humana Health Plans
- National Policy Committee, Humana, Inc., Corporate Office
- Corporate Technology Assessment Taskforce, Humana Health Plans, Inc.
- Corporate Management Reporting Taskforce, Humana Health Plans, Inc.
- Corporate Chronic Care Case Management Advisory Panel
- Corporate Disease Management Company Assessment and Implementation team/National Steering Committee. Oversight and evaluation of programs for CHF, Diabetes, Neonatology, Rare diseases, Coronary Artery Disease, Asthma, COPD
- Developed and implemented CHF disease management program in Chicago Market. Developed effectiveness comparisons with national programs
- Developed and implemented influenza and pneumonia immunization programs in both multi-specialty group practice and extended contracted physician Market network
- Working with teams, formulated approaches to measurement of surrogate indicators of health status decline: e.g. ER visits, hospital readmissions and developed programs to mitigate these declines
- Developed data and interrelated data trend analyses to monitor engaged populations for under-utilization of medical services.
- Chief Medical Editor Humana Corporate National Provider Newsletters
- National Humana Pharmacy and Therapeutics Committee
- Chairman, Illinois Association of HMOs Medical Commission
- Coordinated and managed 15 physician "hospitalist" program (until June 1998) at nine hospitals involving care of 180,000 patients - thought to be largest in U.S. at the time.
- Part-time clinical practice incorporating medical student and resident teaching
- Seminar with Heero Hacquebord (Dr Deming Partner) on statistical process control

1990-1993 **Rush Health Plans**

- Chair Member Services Committee which makes benefits policy decisions
- Chair Medical Advisory Committee which makes new technology policy decisions
- Co-chair of coordination team for joint primary care and subspecialty taskforces at Rush-Presbyterian-St. Luke's Medical Center to develop "critical paths" for management of specific clinical problems
- Professional Advisory Committee, Board of Trustees, Rush-Presbyterian-St. Luke's Health Plans, Inc. Advised the Board of Trustees on professional activities occurring in the Rush Health Plans, particularly those involving Quality Management and Utilization Management.
- Medical Advisory Board, Chartwell Midwest Home Infusion Services--a joint corporation with Tufts, New England Medical Center, Massachusetts General Hospital and Rush-Presbyterian-St. Luke's Medical Center. Provided medical oversight on policies and procedures used in home and clinic infusion services

- Developed onsite physician rounding program at Rush for patients admitted from outlying Anchor offices
- Analyzed and developed activities toward reducing Medicare hospital readmission rates
- Expanded medical communication with publication of Clinical Newsletter to multispecialty group practice
- Early emphasis on "outcomes research", "clinical approach validity"—precursors of "evidence based medicine"
- Part-time clinical practice, Rush Anchor Multi-specialty Medical Group Practice

1986-1990 **Rush Health Plans**

- President, Medical Staff, Rush Anchor, 120 physician, multi-specialty group medical practice
- Member Board of Trustees, Rush-Presbyterian St. Luke's Health Plans
- Finance Committee, Rush-Presbyterian St. Luke's Health Plans Board of Trustees
- Corporate Oversight Committee on Credentials, Rush-Presbyterian St. Luke's Health Plans

As Medical Staff President participated in managed care administration as a member of the Executive Committee, attended regular administrative meetings of the line administration and was an active member of the Board of Trustees and committees of the Board

1984-1986 Secretary, Rush Anchor Medical Staff

Professional Associations

American Academy of Family Physicians
 Illinois Academy of Family Physicians
 Illinois Academy of Family Physician Foundation Board Member
 Illinois State Medical Society (Council on Economics)
 Illinois Association of Health Plans (Chair, Medical Commission)
 American Geriatrics Society
 American College of Physician Executives
 Institute of Medicine of Chicago
 Chicago Asthma Consortium (Advisor to Board)

Certification

Certified by the American Board of Family Medicine, October 1982, Recertified 2002, Recertified 2009
 Certificate of Added Qualification in Geriatric Medicine 1988, 1998
 Licensed Physician, Illinois 1978
 Licensed Physician, Colorado 1983

Post-Graduate Training

1980-1982	Resident, Rush Presbyterian St. Luke's Medical Center - Christ Hospital Family Practice Program, Chicago, Illinois
1977-1978	Resident, Flexible Program, Illinois Masonic Medical Center, Chicago, Illinois
7/75 to 10/75	Clerkship, State University of New York at Buffalo, New York
8/76 to 3/77	Clerkship, State University of New York at Buffalo, New York

Medical Practice Experience

1998-present	Rush University Medical Center
1993-1998	Humana Health Care Plans, Evanston office
1982-1993	Rush-Presbyterian-St. Luke's Medical Center, Rush Anchor 120 physician multi-specialty group medical practice
1978-1980	General Practice, DeKalb, Illinois Northern Illinois University Men's Intercollegiate Sports Physician, Northern Illinois University

Teaching Appointments

1986-Present	Assistant Professor, Rush Medical College, Chicago, Illinois
1982-1986	Instructor, Rush Medical College, Chicago, Illinois
1969-1970	Teaching fellow, Washington University, St. Louis, Missouri

Education (Medical)

1970-1976	Medizinische Universität Graz, (University of Graz Medical School), Graz, Austria - M.D.
1969-1970	Washington University, St. Louis, Missouri, Graduate work in Developmental Biology
1965-1969	University of Illinois, Champaign, Illinois, Bachelor of Arts, Biology

Education (Business)

2002-3	Wharton School of Business, University of Pennsylvania, Executive Education Program
1999	Harvard School of Public Health, Executive Education Program Health Care Strategy
1997	Kellogg School of Business, Northwestern University, Executive Education Program
1994	NCQA Quality Improvement Systems Training. Boston, Mass.
1993	Kellogg School of Business, Northwestern University, Executive Education Program
1990-1994	American College of Physician Executives, PIM I, II and III (Medical Management)
1997	Emerging Role of Hospitalists, Goldman/Wachter, University of California San Francisco

Some Presentations, Publications and Media:

2010 McGraw Hill Family Medicine Board Review Fourth Edition Editor, Chapter One: Cardiovascular

Rush Health 7th Annual Employer Symposium "Health Management Connectivity" Keynote speaker.
Rush University Medical Center, Chicago. 2010

CBS.com--EXPERIMENTAL TREATMENTS

TV appearance: Presented the managed care perspective on decision-making for coverage of experimental treatments. At CBS affiliate Chicago, Illinois, 10 p.m. news

ABC <http://www.healthsurfing.com/health/2000/02/07/>

TV appearance: "Managing Managed Care : The debate over HMOs" produced by Sandy Krawitz, reported by Lucky Severson, story by Shawn O'Leary - "Health Surfing" July 2, 2000

Chicago Public Radio WBEZ <http://www.wbez.org/frames.asp?HeaderURL=lv12hd.htm&BodyURL=search%5Cquery.asp>

Do insurance companies have a double standard? Eight Forty-Eight's Victoria Lautman talks with Illinois State Representative Mary Flowers and Dr. Norman Ryan, Chairman, Medical Directors Commission for the Illinois Association of Health Plans, about the lack of health insurance coverage for contraceptives August 12, 1999

PBS Fred Friendly Seminars, National Outreach Program, Bill Kurtis, Moderator

"Who Cares: Chronic Illness in America." Panel discussion, 10/24/01

Centers for Disease Control, Atlanta, 16th Annual Chronic Disease Conference, Presentation: "Successful Strategies in the Dissemination and Diffusion of Health Promotion" 2/27/02

Kellogg School of Management, Northwestern University, Evanston, Illinois Seminar: "Managed Care Strategy" 7/30/03

Kellogg School of Management, Northwestern University, Evanston, Illinois Seminar: "Managed Care Strategy" 7/29/04

University of Illinois School of Public Health. Annual Lecture in Long-Term Care policy course: "Managed Medicare Principles" 1998 forward to date

Kellogg School of Business/Chest Foundation Case Competition Award winning team. May 2008
OpenMic.Health : YouTube type videos about asthma real-life experiences created by young people in community for presentation in health clinic waiting rooms. Using "viral marketing" to spread positive asthma messages through target audiences. Interspersed with public health announcements, community service announcements, select advertising and packaged entertainment

Mentored/Advised team of graduate students from Northwestern Business and Medical Schools in development of sustainable business plan for company with *creative organizational model to provide the informational and behavioral assistance required to substantially increase the identification, education, prevention, and treatment of asthma among underserved populations in Chicago.*

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

Form 10-K

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2014

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____

Commission file number: 1-10864

UNITEDHEALTH GROUP®

UnitedHealth Group Incorporated
(Exact name of registrant as specified in its charter)

Minnesota
(State or other jurisdiction of
incorporation or organization)

41-1321939
(I.R.S. Employer
Identification No.)

**UnitedHealth Group Center
9900 Bren Road East
Minnetonka, Minnesota**
(Address of principal executive offices)

55343
(Zip Code)

(952) 936-1300
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

COMMON STOCK, \$.01 PAR VALUE
(Title of each class)

NEW YORK STOCK EXCHANGE, INC.
(Name of each exchange on which registered)

Securities registered pursuant to Section 12(g) of the Act: NONE

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☒

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one)

Large accelerated filer ☒
Non-accelerated filer ☐

Accelerated filer ☐
Smaller reporting company ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The aggregate market value of voting stock held by non-affiliates of the registrant as of June 30, 2014 was \$78,282,268,950 (based on the last reported sale price of \$81.75 per share on June 30, 2014, on the New York Stock Exchange), excluding only shares of voting stock held beneficially by directors, executive officers and subsidiaries of the registrant.

As of January 30, 2015, there were 953,695,161 shares of the registrant's Common Stock, \$.01 par value per share, issued and outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

The information required by Part III of this report, to the extent not set forth herein, is incorporated by reference from the registrant's definitive proxy statement relating to its 2015 Annual Meeting of Stockholders. Such proxy statement will be filed with the Securities and Exchange Commission within 120 days after the end of the fiscal year to which this report relates.

PART I

ITEM 1. BUSINESS

INTRODUCTION

Overview

UnitedHealth Group is a diversified health and well-being company dedicated to helping people live healthier lives and making the health system work better for everyone. The terms “we,” “our,” “us,” “its,” “UnitedHealth Group,” or the “Company” used in this report refer to UnitedHealth Group Incorporated and its subsidiaries.

Through our diversified family of businesses, we leverage core competencies in advanced, enabling technology; health care data, information and intelligence; and clinical care management and coordination to help meet the demands of the health system. These core competencies are deployed within our two distinct, but strategically aligned, business platforms: health benefits operating under UnitedHealthcare and health services operating under Optum.

UnitedHealthcare provides health care benefits to an array of customers and markets. UnitedHealthcare Employer & Individual serves employers ranging from sole proprietorships to large, multi-site and national employers, public sector employers, students and other individuals and serves the nation’s active and retired military and their families through the TRICARE program. UnitedHealthcare Medicare & Retirement delivers health and well-being benefits for Medicare beneficiaries and retirees. UnitedHealthcare Community & State manages health care benefit programs on behalf of state Medicaid and community programs and their participants. UnitedHealthcare Global (formerly UnitedHealthcare International) includes Amil, a health care company providing health and dental benefits and hospital and clinical services to individuals in Brazil, and other diversified global health businesses.

Optum is a health services business serving the broad health care marketplace, including payers, care providers, employers, governments, life sciences companies and consumers, through its OptumHealth, OptumInsight and OptumRx businesses. These businesses have dedicated units that help improve overall health system performance through optimizing care quality, reducing costs and improving consumer experience and care provider performance across eight business markets: local care delivery, care management, consumer engagement, distribution services, health financial services, operational services and support, health care information technology and pharmacy services.

Through UnitedHealthcare and Optum, in 2014, we managed over \$165 billion in aggregate health care spending on behalf of the customers and consumers we serve. Our revenues are derived from premiums on risk-based products; fees from management, administrative, technology and consulting services; sales of a wide variety of products and services related to the broad health and well-being industry; and investment and other income. Our two business platforms have four reportable segments:

- UnitedHealthcare, which includes UnitedHealthcare Employer & Individual, UnitedHealthcare Medicare & Retirement, UnitedHealthcare Community & State and UnitedHealthcare Global;
- OptumHealth;
- OptumInsight; and
- OptumRx.

For our financial results and the presentation of certain other financial information by segment, including revenues and long-lived fixed assets by geographic source, see Note 13 of Notes to the Consolidated Financial Statements included in Part II, Item 8, “Financial Statements.”

UnitedHealthcare

UnitedHealthcare's market position is built on:

- national scale;
- strong local market relationships;
- the breadth of product offerings, which are responsive to many distinct market segments in health care;
- service and advanced technology;
- competitive medical and operating cost positions;
- effective clinical engagement;
- extensive expertise in distinct market segments; and
- innovation for customers and consumers.

UnitedHealthcare utilizes the expertise of UnitedHealth Group affiliates for capabilities in specialized areas, such as OptumRx pharmacy benefit products and services, certain OptumHealth care management and local care delivery services and OptumInsight health information and technology solutions, consulting and other services.

In the United States, UnitedHealthcare arranges for discounted access to care through networks that include a total of over 850,000 physicians and other health care professionals and approximately 6,100 hospitals and other facilities.

UnitedHealthcare is subject to extensive government regulation. See further discussion of our regulatory environment below under "Government Regulation" and in Part II, Item 7, "Management Discussion and Analysis of Financial Condition and Results of Operations."

UnitedHealthcare Employer & Individual

UnitedHealthcare Employer & Individual offers an array of consumer-oriented health benefit plans and services for large national employers, public sector employers, mid-sized employers, small businesses, individuals and military service members in the TRICARE west region. UnitedHealthcare Employer & Individual provides nearly 29 million Americans access to health care as of December 31, 2014. Large employer groups typically use self-funded arrangements where UnitedHealthcare Employer & Individual earns a service fee. Smaller employer groups and individuals are more likely to purchase risk-based products because they are less willing or unable to bear a greater potential liability for health care expenditures.

Through its risk-based product offerings, UnitedHealthcare Employer & Individual assumes the risk of both medical and administrative costs for its customers in return for a monthly premium, which is typically a fixed rate per individual served for a one-year period. When providing administrative and other management services to customers that elect to self-fund the health care costs of their employees and employees' dependents, UnitedHealthcare Employer & Individual receives a fixed monthly service fee per individual served. These customers retain the risk of financing medical benefits for their employees and employees' dependents, while UnitedHealthcare Employer & Individual provides services such as coordination and facilitation of medical and related services to customers, consumers and health care professionals, administration of transaction processing and access to a contracted network of physicians, hospitals and other health care professionals, including dental and vision.

UnitedHealthcare Employer & Individual also offers a variety of insurance options for purchase by individuals, including students, which are designed to meet the health coverage needs of these consumers and their families. The consolidated purchasing capacity represented by the individuals UnitedHealth Group serves makes it possible for UnitedHealthcare Employer & Individual to contract for cost-effective access to a large number of conveniently located care professionals and facilities.

UnitedHealthcare Employer & Individual typically distributes its products through consultants or direct sales in the larger employer and public sector segments. In the smaller group segment of the commercial marketplace, UnitedHealthcare Employer & Individual's distribution system consists primarily of direct sales and sales through collaboration with brokers and agents. UnitedHealthcare Employer & Individual also distributes products through wholesale agents or agencies that contract with health insurance carriers to distribute individual or group benefits and provide other related services to their customers.

In recent years, UnitedHealthcare Employer & Individual has diversified its model more extensively, distributing through professional employer organizations, associations, private equity relationships and, increasingly, through both multi-carrier and its own proprietary private exchange marketplaces. In 2014, UnitedHealthcare Employer & Individual launched UnitedHealthcare Marketplace, a new shopping platform for employers seeking to offer their employees flexibility and a choice of UnitedHealthcare plans. UnitedHealthcare Employer & Individual is also participating in select multi-plan exchanges that they believe are structured to encourage consumer choice. Direct-to-consumer sales are also supported by participation in multi-carrier health insurance marketplaces for individuals and small groups through exchanges. In 2014, UnitedHealthcare Employer & Individual participated in 13 state public health care exchanges, including four individual and nine small group exchanges. In 2015, we are participating in 23 individual and 12 small group state public exchanges.

UnitedHealthcare Employer & Individual's diverse product portfolio offers a continuum of benefit designs, price points and approaches to consumer engagement, which provide the flexibility to meet the needs of employers of all sizes, as well as individuals shopping for health benefits coverage. UnitedHealthcare Employer & Individual has seen increased demand for consumer driven health plans and new network approaches with lower costs, as well as more convenient care options for consumers. UnitedHealthcare Employer & Individual emphasizes local markets and leverages its national scale to adapt products to meet specific local market needs.

UnitedHealthcare Employer & Individual offers its products through affiliates that are licensed as insurance companies, health maintenance organizations (HMOs), or third-party administrators (TPAs). The market for health benefit products is shifting, with benefit and network offerings shaped, at least in part, by the requirements and effects of the Patient Protection and Affordable Care Act and a reconciliation measure, the Health Care and Education Reconciliation Act of 2010 (together, Health Reform Legislation), employer focus on quality and employee engagement, and the urgent need to align the system around value.

UnitedHealthcare Employer & Individual's major product families include:

Traditional Products. Traditional products include a full range of medical benefits and network options from managed plans, such as Choice and Options PPO, to more traditional indemnity products. The plans offer a full spectrum of covered services, including preventive care, direct access to specialists and catastrophic protection.

Consumer Engagement Products and Tools. Consumer engagement products couple plan design with financial accounts to increase individuals' responsibility for their health and well-being. This suite of products includes high-deductible consumer-driven benefit plans, which include health reimbursement accounts (HRAs), health savings accounts (HSAs) and consumer engagement services such as personalized behavioral incentive programs and consumer education. During 2014, more than 32,000 employer-sponsored benefit plans, including more than 300 employers in the large group self-funded market, purchased HRA or HSA products from us. UnitedHealthcare Employer & Individual's consumer engagement tools support members with access to benefit, cost and quality information through online and mobile applications, such as Advocate4Me, myHealthcare Cost Estimator and Health4Me. Using innovative tools and technology, UnitedHealthcare and Optum's applications are helping people address a broad range of health related issues, including benefits and claims questions, finding the right doctor, proactive support for appointments and issue resolution, health education, clinical program enrollment and treatment decision support.

Value Based Products. UnitedHealthcare Employer & Individual's suite of consumer incentive products increases individual awareness of personal health and care quality and cost for heightened consumer responsibility and behavior change. These products include: Small Business Wellness, which is a packaged

wellness and incentives product that offers gym reimbursement and encourages completion of important wellness activities. For mid-sized clients, SimplyEngaged is a scalable activity-based reward program that ties incentives to completion of health improvement activities, while SimplyEngaged Plus provides richer incentives for achieving health goals. For large, self-funded customers, the UnitedHealthcare Healthy Rewards program offers a flexible incentive design to help employers choose the right activities and include appropriate biometric outcomes that best fit the needs of their employee population. UnitedHealth Personal Rewards leverages a tailored approach to incentives by combining personalized scorecards with financial incentives for improving biometric scores, compliance with key health treatments and preventive care.

Essential Benefits Products. UnitedHealthcare Employer & Individual's portfolio of lower cost products provides value to consumers through innovative plan designs and unique network programs like UnitedHealth Premium®, which guide people to physicians recognized for providing high-quality, cost-efficient care to their patients. This approach to essential benefits is designed to deliver sustainable health care costs for employers, enabling them to continue to offer their employees coverage at more affordable prices. For example, UnitedHealthcare Employer & Individual's tiered benefit plans offer enhanced benefits in the form of greater coinsurance coverage and/or lower copays for people using UnitedHealth Premium® designated care providers.

Clinical and Pharmacy Products. UnitedHealthcare Employer & Individual offers a comprehensive suite of clinical and pharmacy benefits management programs, which complement its service offerings by improving quality of care, engaging members and providing cost-saving options. All UnitedHealthcare Employer & Individual members are provided access to clinical products that help them make better health care decisions and better use of their medical benefits, improving health and decreasing medical expenses.

Each medical plan has a core set of clinical programs embedded in the offering, with additional services available depending on funding type (fully insured or self-funded), line of business (e.g., small business, key accounts, public sector, national accounts and individuals), and clinical need. UnitedHealthcare Employer & Individual's clinical programs include:

- wellness programs;
- decision support;
- utilization management;
- case and disease management;
- complex condition management;
- on-site programs, including Know Your Numbers (biometrics) and flu shots;
- incentives to reinforce positive behavior change;
- mental health/substance use disorder management; and
- employee assistance programs.

UnitedHealthcare Employer & Individual's comprehensive and integrated pharmaceutical management services promote lower costs by using formulary programs to produce better unit costs, encouraging consumers to use drugs that offer improved value and outcomes, and supporting the appropriate use of drugs based on clinical evidence through physician and consumer education programs.

Specialty Offerings. UnitedHealthcare Employer & Individual also delivers dental, vision, life, and disability product offerings through an integrated approach including a network of more than 58,000 vision professionals in private and retail settings, and nearly 75,000 dental offices.

UnitedHealthcare Military & Veterans. UnitedHealthcare Military & Veterans is the provider of health care services for nearly 3 million active duty and retired military service members and their families in 21 states

(West Region) under the Department of Defense's (DoD) TRICARE Managed Care Support contract. The contract began on April 1, 2013, and includes a transition period and five one-year renewals at the government's option.

UnitedHealthcare Military & Veterans' responsibility as a contractor is to augment the military's direct care system by providing managed care support services, provider networks, medical management, claims/enrollment administration and customer service.

UnitedHealthcare Medicare & Retirement

UnitedHealthcare Medicare & Retirement provides health and well-being services to individuals age 50 and older, addressing their unique needs for preventive and acute health care services, as well as services dealing with chronic disease and other specialized issues common among older individuals. UnitedHealthcare Medicare & Retirement is fully dedicated to serving this growing senior market segment, providing products and services in all 50 states, the District of Columbia and most U.S. territories. It has distinct pricing, underwriting, clinical program management and marketing capabilities dedicated to health products and services in this market.

UnitedHealthcare Medicare & Retirement offers a spectrum of risk-based Medicare products that may be purchased by individuals or on a group basis, including Medicare Advantage plans, Medicare Prescription Drug Benefit (Medicare Part D) and Medicare Supplement products that extend and enhance traditional fee-for-service coverage. UnitedHealthcare Medicare & Retirement services include care management and clinical management programs, a nurse health line service, 24-hour access to health care information, access to discounted health services from a network of care providers and administrative services.

Premium revenues from the Centers for Medicare & Medicaid Services (CMS) represented 29% of UnitedHealth Group's total consolidated revenues for the year ended December 31, 2014, most of which were generated by UnitedHealthcare Medicare & Retirement.

UnitedHealthcare Medicare & Retirement has extensive distribution capabilities and experience, including direct marketing to consumers on behalf of its key clients: AARP, the nation's largest membership organization dedicated to the needs of people age 50 and over, and state and U.S. government agencies. Products are also offered through employer groups and agent channels.

UnitedHealthcare Medicare & Retirement's major product categories include:

Medicare Advantage. UnitedHealthcare Medicare & Retirement provides health care coverage for seniors and other eligible Medicare beneficiaries primarily through the Medicare Advantage program administered by CMS, including Medicare Advantage HMO plans, preferred provider organization (PPO) plans, Point-of-Service plans, Private-Fee-for-Service plans and Special Needs Plans (SNPs). Under the Medicare Advantage program, UnitedHealthcare Medicare & Retirement provides health insurance coverage in exchange for a fixed monthly premium per member from CMS and in some cases consumer premiums. Premium amounts received from CMS vary based on the geographic areas in which members reside; demographic factors such as age, gender, and institutionalized status; and the health status of the individual. UnitedHealthcare Medicare & Retirement had approximately 3 million people enrolled in its Medicare Advantage products as of December 31, 2014.

Medicare Advantage plans are designed to compete at the local level, taking into account member and care provider preferences, competitor offerings, our historical financial results, our quality and cost initiatives and the long-term payment rate outlook for each geographic area. Starting in 2012, and phased in through 2017, the Medicare Advantage rate structure and quality rating bonuses are changing significantly. See Part II, Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations" for further information.

UnitedHealthcare Medicare & Retirement offers innovative care management, disease management and other clinical programs, integrating federal, state and personal funding through its continuum of Medicare Advantage

products. For high-risk patients in certain care settings and programs, UnitedHealthcare Medicare & Retirement uses proprietary, automated medical record software that enables clinical care teams to capture and track patient data and clinical encounters, creating a comprehensive set of care information that bridges across home, hospital and nursing home care settings. Proprietary predictive modeling tools help identify members at high risk and allow care managers to reach out to those members and create individualized care plans that help them obtain the right care, in the right place, at the right time.

Medicare Part D. UnitedHealthcare Medicare & Retirement provides Medicare Part D benefits to beneficiaries throughout the United States and its territories through its Medicare Advantage and stand-alone Medicare Part D plans. UnitedHealthcare Medicare & Retirement offers two stand-alone Medicare Part D plans: the AARP MedicareRx Preferred and the AARP MedicareRx Saver Plus plans. The stand-alone Medicare Part D plans address a large spectrum of beneficiaries' needs and preferences for their prescription drug coverage, including low cost prescription options. Each of the plans includes the majority of the drugs covered by Medicare and provides varying levels of coverage to meet the diverse needs of Medicare beneficiaries. As of December 31, 2014, UnitedHealthcare enrolled approximately 8 million people in the Medicare Part D programs, including more than 5 million individuals in the stand-alone Medicare Part D plans and approximately 3 million in Medicare Advantage plans incorporating Medicare Part D coverage.

Medicare Supplement. UnitedHealthcare Medicare & Retirement is currently serving more than 4 million seniors through various Medicare Supplement products in association with AARP. UnitedHealthcare Medicare & Retirement offers plans in all 50 states, the District of Columbia, and most U.S. territories. UnitedHealthcare Medicare & Retirement offers a full range of supplemental products at diverse price points. These products cover the various levels of coinsurance and deductible gaps that seniors are exposed to in the traditional Medicare program.

UnitedHealthcare Community & State

UnitedHealthcare Community & State is dedicated to serving state programs that care for the economically disadvantaged, the medically underserved and those without the benefit of employer-funded health care coverage, in exchange for a monthly premium per member from the state program. In some cases, these premiums are subject to experience or risk adjustments. UnitedHealthcare Community & State's primary customers oversee Medicaid plans, Children's Health Insurance Programs (CHIP), SNPs, integrated Medicare-Medicaid plans (MMP) and other federal, state and community health care programs. As of December 31, 2014, UnitedHealthcare Community & State participated in programs in 24 states and the District of Columbia, and served more than 5 million beneficiaries. Health Reform Legislation provided for optional Medicaid expansion effective January 1, 2014. For 2015, 13 of our state customers have elected to expand Medicaid, an increase of one state since 2014. For further discussion of the Medicaid expansion under Health Reform Legislation, see Part II, Item 7, "Management Discussion and Analysis of Financial Condition and Results of Operations."

States using managed care services for Medicaid beneficiaries select health plans by using a formal bid process or by awarding individual contracts. A number of factors are considered by UnitedHealthcare Community & State when choosing programs for participation including the state's commitment and consistency of support for its Medicaid managed care program in terms of service, innovation and funding; the eligible population base, both immediate and long term; and the structure of the projected program. UnitedHealthcare Community & State works with its state customers to advocate for actuarially sound rates that are commensurate with medical cost trends.

The primary categories of eligibility for the programs served by UnitedHealthcare Community & State and our participation are:

- Temporary Assistance to Needy Families, primarily women and children – 21 markets;
- CHIP – 21 markets;

- Aged, Blind and Disabled (ABD) – 16 markets;
- SNP – 14 markets;
- Medicaid Expansion – 13 markets;
- Long-Term Services and Supports (LTSS) – 12 markets;
- other programs (e.g., developmentally disabled, rehabilitative services) – 6 markets
- childless adults programs for the uninsured – 4 markets; and
- MMP – 1 market.

These health plans and care programs offered are designed to address the complex needs of the populations they serve, including the chronically ill, those with disabilities and people with a higher risk of medical, behavioral and social conditions. UnitedHealthcare Community & State administers benefits for the unique needs of children, pregnant women, adults, seniors and those who are institutionalized or are nursing home eligible. They often live in areas that are medically underserved and are less likely to have a consistent relationship with the medical community or a care provider. These individuals also tend to face significant social and economic challenges.

UnitedHealthcare Community & State leverages the national capabilities of UnitedHealth Group locally, supporting effective care management, strong regulatory partnerships, greater administrative efficiency, improved clinical outcomes and the ability to adapt to a changing national and local market environment. UnitedHealthcare Community & State coordinates resources among family, physicians, other health care providers, and government and community-based agencies and organizations to facilitate continuous and effective care.

The LTSS market represents only 6% of the total Medicaid population, yet accounts for more than 30% of total Medicaid expenditures. The LTSS population is made up of over 4 million individuals who qualify for additional benefits under LTSS programs who represent a subset of the more than 16 million ABD Americans. Currently, only one-quarter of the ABD population and approximately 20% of the LTSS eligible population are served by managed care programs. States are increasingly looking for solutions to not only help control costs, but to improve quality for the complex medical challenges faced by this population and are moving with greater speed to managed care programs.

There are more than 9 million individuals eligible for both Medicare and Medicaid. This group has historically been referred to as dually eligible or MMP. MMP beneficiaries typically have complex conditions with costs of care that are far higher than typical Medicare or Medicaid beneficiaries. While these individuals' health needs are more complex and more costly, they have been historically served in unmanaged environments. This market provides UnitedHealthcare an opportunity to integrate Medicare and Medicaid funding and improve people's health status through close coordination of care.

Total annual expenditures for MMPs are estimated at more than \$390 billion, or approximately 13% of the total health care costs in the United States. As of December 31, 2014, UnitedHealthcare served more than 315,000 people with complex conditions similar to those in an MMP population in legacy programs through Medicare Advantage dual SNPs. As of December 31, 2014, UnitedHealthcare Community & State had been awarded new MMP business taking effect in 2015 in Ohio and Texas.

UnitedHealthcare Global

UnitedHealthcare Global participates in international markets through national "in country" and cross-border strategic approaches. UnitedHealthcare Global's cross-border health care business provides comprehensive health benefits, care management and care delivery for multinational employers, governments and individuals

around the world. UnitedHealthcare Global's goal is to create business solutions that are based on local infrastructure, culture and needs, and that blend local expertise with experiences from the U.S. health care industry. As of December 31, 2014, UnitedHealthcare Global provided medical benefits to more than 4 million people, principally in Brazil, but also residing in more than 125 other countries.

Amil. Amil provides health and dental benefits to nearly 7 million people. Amil operates more than 30 acute hospitals and approximately 50 specialty, primary care and emergency services clinics across Brazil, principally for the benefit of its members. Amil's patients are also treated in its contracted provider network of nearly 27,000 physicians and other health care professionals, approximately 2,100 hospitals and more than 7,600 laboratories and diagnostic imaging centers. Amil offers a diversified product portfolio with a wide range of product offerings, benefit designs, price points and value, including indemnity products. Amil's products include various administrative services such as network access and administration, care management and personal health services and claims processing.

Other Operations. UnitedHealthcare Global includes other diversified global health services operations with a variety of offerings for international customers, including:

- network access and care coordination in the United States and overseas;
- TPA products and services for health plans and TPAs;
- brokerage services;
- practice management services for care providers;
- government and corporate consulting services for improving quality and efficiency; and
- global expatriate insurance solutions.

Optum

Optum is a health services business serving the broad health care marketplace, including:

- Those who need care: the consumers who need the right support, information, resources and products to achieve their health goals.
- Those who provide care: pharmacies, physicians' practices, hospitals and clinical facilities seeking to modernize the health system and support the best possible patient care and experience.
- Those who pay for care: insurers, employers and government agencies devoted to ensuring the populations they sponsor receive high-quality care, administered and delivered efficiently.
- Those who innovate for care: life sciences and research focused organizations dedicated to developing more effective approaches to care, enabling technologies and medicines that improve care delivery and health outcomes.

Using advanced data analytics and technology, Optum helps improve overall health system performance by optimizing care quality, reducing costs and improving the consumer experience and care provider performance. Optum is organized in three reportable segments:

- OptumHealth focuses on care delivery, care management, consumer engagement, distribution and health financial services;
- OptumInsight delivers operational services and support and health information technology services; and
- OptumRx specializes in pharmacy services.

OptumHealth

OptumHealth is a diversified health and wellness business serving the physical, emotional and financial needs of more than 63 million unique individuals. OptumHealth enables population health management through programs offered by employers, payers, government entities and, increasingly, directly with the care delivery system. OptumHealth products and services deliver value by improving quality and patient satisfaction while lowering cost. OptumHealth works to optimize the care delivery system through the creation of high-performing networks and centers of excellence across the care continuum, by working directly with physicians to advance population health management and by focusing on caring for the most medically complex patients.

OptumHealth offers its products on a risk basis, where it assumes responsibility for health care costs in exchange for a monthly premium per individual served, and on an administrative fee basis, under which it manages or administers delivery of the products or services in exchange for a fixed fee per individual served. For its financial services offerings, OptumHealth charges fees and earns investment income on managed funds.

OptumHealth sells its products primarily through its direct sales force, strategic collaborations and external producers in three markets: employers (which includes the sub-markets of large, mid-sized and small employers), payers (which includes the sub-markets of health plans, TPAs, underwriter/stop-loss carriers and individual market intermediaries) and government entities (which includes states, CMS, DoD, the Veterans Administration and other federal procurement agencies). As provider reimbursement models evolve, care providers are emerging as a fourth market for the health management, financial services and local care delivery businesses.

OptumHealth is organized into two major operating groups: Collaborative Care and Consumer Solutions Group (CSG).

Collaborative Care. Collaborative Care's major product offerings include local care delivery, complex population management and mobile care delivery.

- **Local Care Delivery.** Local care delivery serves patients through a collaborative network of care providers aligned around total population health management and outcomes-based reimbursement. Within its local care delivery systems, OptumHealth works directly with medical groups and Independent Practice Associations to deploy a core set of technology, risk management, analytical and clinical capabilities and tools to assist physicians in delivering high-quality care across the populations they serve. OptumHealth is directly affiliated with clinics and physicians who provided care to more than 2 million patients in 2014.
- **Complex Population Management.** Complex population management services focus on improving care for patients with very challenging medical conditions by providing the optimal care in the most appropriate setting. Complex population management is focused on building and executing integrated solutions for payers, governmental agencies, accountable care organizations and provider groups for the highest cost patient segment of the health care system with focus on optimizing patient outcomes, quality and cost effectiveness. In addition, complex population management provides hospice services in 17 markets in the United States.
- **Mobile Care Delivery.** OptumHealth's mobile care delivery business provides occupational health, medical and dental readiness services, treatments and immunization programs. These solutions serve a number of government and commercial clients including the U.S. military.

CSG. CSG includes population health management services, specialty networks, distribution and financial services products.

- **Population Health Management Services:** OptumHealth serves nearly 38 million people through population health management services, including care management, complex conditions (e.g., cancer, neonatal and maternity), health and wellness and advocacy decision support solutions.

- **Specialty Networks.** Within specialty networks, OptumHealth serves more than 57 million people by offering them access to proprietary networks of provider specialists in the areas of behavioral health management (e.g., mental health, substance abuse), chiropractic, physical therapy, transplant, infertility, kidney and end stage renal disease.
- **Distribution:** This business provides health exchange capabilities to help payers, market aggregators and employers meet the needs of the consumers they serve. OptumHealth provides call center support, multi-modal communications software, data analysis and trained nurses that help clients acquire, retain and service large populations of health care consumers.
- **Financial Services:** This business serves the health financial needs of individuals, employers, health care professionals and payers. OptumHealth is a leading provider of consumer health care accounts. OptumHealth also offers electronic payment solutions to manage compliance and improve the administrative efficiency of electronic claim payments. As of December 31, 2014, Financial Services and its wholly owned subsidiary, Optum Bank, had \$2.8 billion in customer assets under management and during 2014 processed \$85 billion in medical payments to physicians and other health care providers.

OptumInsight

OptumInsight provides technology, operational and consulting services to participants in the health care industry. Hospital systems, physician practices, commercial health plans, government agencies, life sciences companies and other organizations that constitute the health care system use OptumInsight to help them reduce costs, meet compliance mandates, improve clinical performance, achieve efficiency and modernize their core operating systems to meet the changing needs of the health system landscape.

Many of OptumInsight's software and information products, advisory consulting arrangements and outsourcing contracts are delivered over an extended period, often several years. OptumInsight maintains an order backlog to track unearned revenues under these long-term arrangements. The backlog consists of estimated revenue from signed contracts, other legally binding agreements and anticipated contract renewals based on historical experience that either have not started but are anticipated to begin in the near future, or are in process and have not been completed. OptumInsight's aggregate backlog at December 31, 2014, was \$8.6 billion, of which \$4.8 billion is expected to be realized within the next 12 months. This includes \$2.9 billion related to intersegment agreements, all of which are included in the current portion of the backlog. OptumInsight's aggregate backlog at December 31, 2013, adjusted for the January 1, 2014 business realignment discussed in Note 13 of Notes to Consolidated Financial Statements included in Part II, Item 8, "Financial Statements," was \$7.5 billion including \$2.7 billion related to intersegment agreements. The increase in 2014 backlog was attributable to a revenue management services acquisition and general business growth, partially offset by services performed on existing contracts. OptumInsight cannot provide any assurance that it will be able to realize all of the revenues included in the backlog due to uncertainties with regard to the timing and scope of services and the potential for cancellation, non-renewal or early termination of service arrangements.

OptumInsight's products and services are sold primarily through a direct sales force. OptumInsight's products are also supported and distributed through an array of alliances and business partnerships with other technology vendors, who integrate and interface OptumInsight's products with their applications.

OptumInsight provides capabilities targeted to the needs of four primary market segments: care providers (e.g., physician practices and hospitals), payers, governments and life sciences organizations.

Care Providers. Serving four out of five U.S. hospitals and tens of thousands of physician practices, OptumInsight provides capabilities that help drive financial performance, meet compliance requirements and deliver health intelligence. OptumInsight's offerings in clinical workflow software, revenue management tools and services, health IT and analytics help hospitals and physician practices improve patient outcomes, strengthen financial performance and meet quality measurement and compliance requirements, as well as transition to new collaborative and value based business models.

Payers. OptumInsight serves approximately 300 health plans by helping them improve operational and administrative efficiency, meet clinical performance and compliance goals, develop strong provider networks, manage risk and drive growth. OptumInsight also helps payer clients adapt to new market models, including health insurance exchanges, consumer driven health care and engagement, pay-for-value contracting and population health management.

Governments. OptumInsight provides services to government agencies across 36 states and the District of Columbia. Services include financial management and program integrity services, policy and compliance consulting, data and analytics technology, systems integration and expertise to improve medical quality, access and costs.

Life Sciences. OptumInsight's Life Sciences business provides services to more than 200 global life sciences organizations. OptumInsight's services use real-world evidence to support market access and positioning of products, provide insights into patient reported outcomes and optimize and manage risk.

OptumRx

OptumRx provides a full spectrum of pharmacy benefit management (PBM) services to more than 30 million Americans nationwide, managing more than \$40 billion in pharmaceutical spending annually and processing nearly 600 million adjusted retail, home delivery and specialty drug prescriptions annually. OptumRx's PBM services deliver a low cost, high-quality pharmacy benefit through retail network contracting services, home delivery and specialty pharmacy services, manufacturer rebate contracting and management and a variety of clinical programs such as step therapy, formulary management, drug adherence and disease and drug therapy management programs. As of December 31, 2014, OptumRx's network included more than 67,000 retail pharmacies and two home delivery pharmacy facilities in California and Kansas.

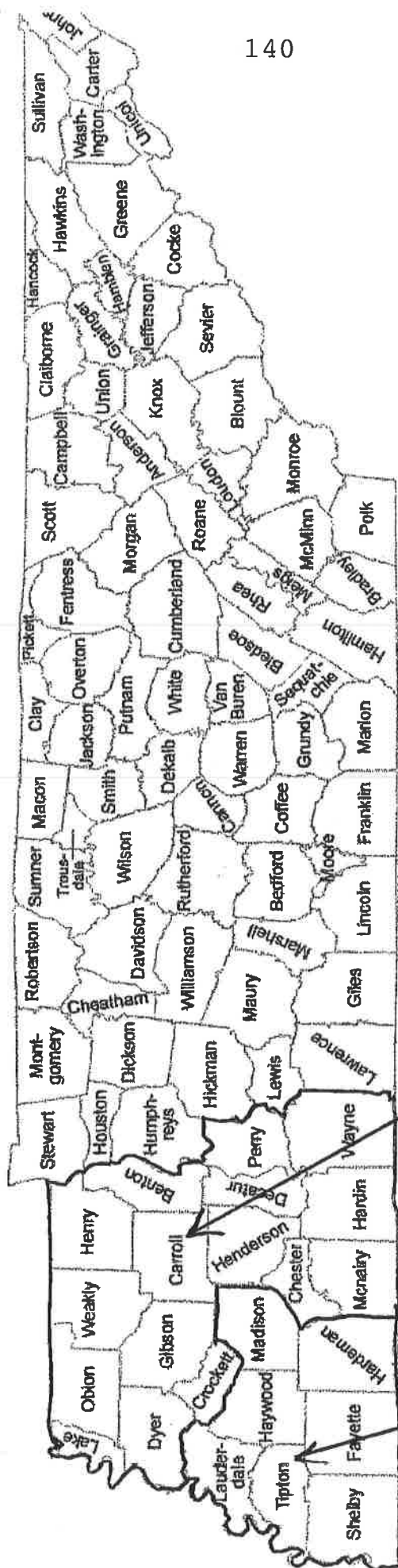
The home delivery and specialty pharmacy fulfillment capabilities of OptumRx are an important strategic component of its business, providing patients with convenient access to maintenance medications, offering a broad range of complex drug therapies and patient management services for individuals with chronic health conditions and enabling OptumRx to help consumers achieve optimal health, while maximizing cost savings.

OptumRx provides PBM services to a substantial majority of UnitedHealthcare members. Additionally, OptumRx manages specialty pharmacy benefits across nearly all of UnitedHealthcare's businesses with services including patient support and clinical programs designed to ensure quality and deliver value for consumers. This is crucial in managing overall drug spend, as biologics and other specialty medications are the fastest growing pharmacy expenditures. OptumRx also provides PBM services to non-affiliated external clients, including public and private sector employer groups, insurance companies, Taft-Hartley Trust Funds, TPAs, managed care organizations (MCOs), Medicare-contracted plans, Medicaid plans and other sponsors of health benefit plans and individuals throughout the United States. OptumRx's distribution system consists primarily of health insurance brokers and other health care consultants and direct sales.

GOVERNMENT REGULATION

Most of our health and well-being businesses are subject to comprehensive federal, state and international laws and regulations. We are regulated by federal, state and international regulatory agencies that generally have discretion to issue regulations and interpret and enforce laws and rules. The regulations can vary significantly from jurisdiction to jurisdiction, and the interpretation of existing laws and rules also may change periodically. Domestic and international governments continue to enact and consider various legislative and regulatory proposals that could materially impact certain aspects of the health care system. New laws, regulations and rules, or changes in the interpretation of existing laws, regulations and rules, including as a result of changes in the political climate, could adversely affect our business.

**C, Need--3
Service Area Maps**



PROPOSED ADDITIONAL COUNTIES

**CURRENT
COUNTIES**

ALERE WOMEN'S AND CHILDREN'S HEALTH / SHELBY COUNTY

CURRENT AND PROPOSED SERVICE AREA

C, Economic Feasibility--2
Documentation of Availability of Funding



11000 Optum Circle
Eden Prairie, MN 55344
www.optum.com

November 30, 2015

Melanie M. Hill, Executive Director
Tennessee Health Services and Development Agency
Andrew Jackson State Office Building, 9th Floor
500 Deaderick Street
Nashville, Tennessee 37243

RE: CON Application to Add Service Area Counties
Alere Women's and Children's Health, LLC – Shelby County

Dear Mrs. Hill:

Alere Women's and Children's Health, LLC has filed a Certificate of Need Application to expand the service area of its Shelby County home healthcare agency. The estimated cost to implement the project is \$79,000.

Alere Women's and Children's Health, LLC is wholly owned by Alere Health, LLC, which is wholly owned by OptumHealth Care Solutions, Inc. (part of OptumHealth), which is ultimately wholly owned by UnitedHealth Group, a publicly traded company.

I am writing to confirm that the project's cost will be funded entirely by a cash transfer to the applicant through the organizational chain described above. As Chief Financial Officer of OptumHealth Care Solutions, Inc., I am authorized to make that commitment. The availability of sufficient cash is shown in financial statements in the attached UnitedHealth Group's Security and Exchange Commission filings on Form 10-K for the year ended December 31, 2014 and Form 10-Q for the quarter ended June 30, 2015.

Sincerely,

A handwritten signature in black ink, appearing to read 'Joel Costa'.

Joel Costa
OptumHealth CFO

C, Economic Feasibility--10
Financial Statements

UnitedHealth Group
Consolidated Balance Sheets

(in millions, except per share data)	December 31, 2014	December 31, 2013
Assets		
Current assets:		
Cash and cash equivalents	\$ 7,495	\$ 7,276
Short-term investments	1,741	1,937
Accounts receivable, net of allowances of \$260 and \$196	4,252	3,052
Other current receivables, net of allowances of \$156 and \$169	5,498	3,998
Assets under management	2,962	2,757
Deferred income taxes	556	430
Prepaid expenses and other current assets	1,052	930
Total current assets	23,556	20,380
Long-term investments	18,827	19,605
Property, equipment and capitalized software, net of accumulated depreciation and amortization of \$2,954 and \$2,675	4,418	4,010
Goodwill	32,940	31,604
Other intangible assets, net of accumulated amortization of \$2,685 and \$2,283	3,669	3,844
Other assets	2,972	2,439
Total assets	\$86,382	\$81,882
Liabilities and shareholders' equity		
Current liabilities:		
Medical costs payable	\$12,040	\$11,575
Accounts payable and accrued liabilities	9,247	7,458
Other policy liabilities	5,965	5,279
Commercial paper and current maturities of long-term debt	1,399	1,969
Unearned revenues	1,972	1,600
Total current liabilities	30,623	27,881
Long-term debt, less current maturities	16,007	14,891
Future policy benefits	2,488	2,465
Deferred income taxes	2,065	1,796
Other liabilities	1,357	1,525
Total liabilities	52,540	48,558
Commitments and contingencies (Note 12)		
Redeemable noncontrolling interests	1,388	1,175
Shareholders' equity:		
Preferred stock, \$0.001 par value — 10 shares authorized; no shares issued or outstanding	—	—
Common stock, \$0.01 par value — 3,000 shares authorized; 954 and 988 issued and outstanding	10	10
Retained earnings	33,836	33,047
Accumulated other comprehensive loss	(1,392)	(908)
Total shareholders' equity	32,454	32,149
Total liabilities and shareholders' equity	\$86,382	\$81,882

See Notes to the Consolidated Financial Statements

UnitedHealth Group
Consolidated Statements of Operations

(in millions, except per share data)	For the Years Ended December 31,		
	2014	2013	2012
Revenues:			
Premiums	\$115,302	\$109,557	\$ 99,728
Services	10,151	8,997	7,437
Products	4,242	3,190	2,773
Investment and other income	779	745	680
Total revenues	130,474	122,489	110,618
Operating costs:			
Medical costs	93,257	89,290	80,226
Operating costs	21,681	19,362	17,306
Cost of products sold	3,784	2,839	2,523
Depreciation and amortization	1,478	1,375	1,309
Total operating costs	120,200	112,866	101,364
Earnings from operations	10,274	9,623	9,254
Interest expense	(618)	(708)	(632)
Earnings before income taxes	9,656	8,915	8,622
Provision for income taxes	(4,037)	(3,242)	(3,096)
Net earnings	5,619	5,673	5,526
Earnings attributable to noncontrolling interests	—	(48)	—
Net earnings attributable to UnitedHealth Group common shareholders	\$ 5,619	\$ 5,625	\$ 5,526
Earnings per share attributable to UnitedHealth Group common shareholders:			
Basic	\$ 5.78	\$ 5.59	\$ 5.38
Diluted	\$ 5.70	\$ 5.50	\$ 5.28
Basic weighted-average number of common shares outstanding	972	1,006	1,027
Dilutive effect of common share equivalents	14	17	19
Diluted weighted-average number of common shares outstanding	986	1,023	1,046
Anti-dilutive shares excluded from the calculation of dilutive effect of common share equivalents	6	8	17
Cash dividends declared per common share	\$ 1.4050	\$ 1.0525	\$ 0.8000

See Notes to the Consolidated Financial Statements

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-Q

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

FOR THE QUARTERLY PERIOD ENDED MARCH 31, 2015

or

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

FOR THE TRANSITION PERIOD FROM _____ TO _____

Commission file number: 1-10864

UNITEDHEALTH GROUP®

UnitedHealth Group Incorporated

(Exact name of registrant as specified in its charter)

Minnesota
(State or other jurisdiction of
incorporation or organization)

41-1321939
(I.R.S. Employer
Identification No.)

UnitedHealth Group Center
9900 Bren Road East
Minnetonka, Minnesota
(Address of principal executive offices)

55343
(Zip Code)

(952) 936-1300

(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act:

Large accelerated filer ☒ Accelerated filer ☐ Non-accelerated filer ☐ Smaller reporting company ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of April 30, 2015, there were 951,904,261 shares of the registrant's Common Stock, \$.01 par value per share, issued and outstanding.

**PART I****ITEM 1. FINANCIAL STATEMENTS**
UnitedHealth Group
Condensed Consolidated Balance Sheets
(Unaudited)

(in millions, except per share data)	March 31, 2015	December 31, 2014
Assets		
Current assets:		
Cash and cash equivalents	\$ 8,650	\$ 7,495
Short-term investments	1,780	1,741
Accounts receivable, net	5,040	4,252
Other current receivables, net	5,346	5,498
Assets under management	2,921	2,962
Deferred income taxes	405	556
Prepaid expenses and other current assets	2,632	1,052
Total current assets	26,774	23,556
Long-term investments	19,416	18,827
Property, equipment and capitalized software, net	4,245	4,418
Goodwill	32,782	32,940
Other intangible assets, net	3,441	3,669
Other assets	3,061	2,972
Total assets	<u>\$89,719</u>	<u>\$86,382</u>
Liabilities and shareholders' equity		
Current liabilities:		
Medical costs payable	\$13,537	\$12,040
Accounts payable and accrued liabilities	10,518	9,247
Other policy liabilities	6,392	5,965
Commercial paper and current maturities of long-term debt	2,797	1,399
Unearned revenues	1,734	1,972
Total current liabilities	34,978	30,623
Long-term debt, less current maturities	15,577	16,007
Future policy benefits	2,483	2,488
Deferred income taxes	2,056	2,065
Other liabilities	1,295	1,357
Total liabilities	56,389	52,540
Commitments and contingencies (Note 9)		
Redeemable noncontrolling interests	1,452	1,388
Shareholders' equity:		
Preferred stock, \$0.001 par value — 10 shares authorized; no shares issued or outstanding	—	—
Common stock, \$0.01 par value — 3,000 shares authorized; 952 and 954 issued and outstanding	10	10
Retained earnings	34,153	33,836
Accumulated other comprehensive loss	(2,285)	(1,392)
Total shareholders' equity	31,878	32,454
Total liabilities and shareholders' equity	<u>\$89,719</u>	<u>\$86,382</u>

See Notes to the Condensed Consolidated Financial Statements



UnitedHealth Group
Condensed Consolidated Statements of Operations
(Unaudited)

(in millions, except per share data)	Three Months Ended March 31,	
	2015	2014
Revenues:		
Premiums	\$31,674	\$28,115
Services	2,706	2,404
Products	1,230	998
Investment and other income	146	191
Total revenues	<u>35,756</u>	<u>31,708</u>
Operating costs:		
Medical costs	25,689	23,208
Operating costs	5,949	5,194
Cost of products sold	1,100	892
Depreciation and amortization	378	360
Total operating costs	<u>33,116</u>	<u>29,654</u>
Earnings from operations	2,640	2,054
Interest expense	(150)	(160)
Earnings before income taxes	2,490	1,894
Provision for income taxes	(1,077)	(795)
Net earnings	<u>\$ 1,413</u>	<u>\$ 1,099</u>
Earnings per share:		
Basic	<u>\$ 1.48</u>	<u>\$ 1.12</u>
Diluted	<u>\$ 1.46</u>	<u>\$ 1.10</u>
Basic weighted-average number of common shares outstanding	954	983
Dilutive effect of common share equivalents	15	13
Diluted weighted-average number of common shares outstanding	<u>969</u>	<u>996</u>
Anti-dilutive shares excluded from the calculation of dilutive effect of common share equivalents	9	9
Cash dividends declared per common share	\$0.3750	\$0.2800

See Notes to the Condensed Consolidated Financial Statements



UnitedHealth Group
Condensed Consolidated Statements of Comprehensive Income
(Unaudited)

(in millions)	Three Months Ended March 31,	
	2015	2014
Net earnings	\$ 1,413	\$ 1,099
Other comprehensive (loss) income:		
Gross unrealized gains on investment securities during the period	105	166
Income tax effect	(37)	(61)
Total unrealized gains, net of tax	68	105
Gross reclassification adjustment for net realized gains included in net earnings	(3)	(46)
Income tax effect	1	17
Total reclassification adjustment, net of tax	(2)	(29)
Total foreign currency translation (losses) gains	(959)	259
Other comprehensive (loss) income	(893)	335
Comprehensive income	<u>\$ 520</u>	<u>\$ 1,434</u>

See Notes to the Condensed Consolidated Financial Statements

C, Orderly Development--7(C)
Licensing & Accreditation Inspections



STATE OF TENNESSEE
DEPARTMENT OF HEALTH
WEST TENNESSEE HEALTH CARE FACILITIES
2975C HWY. 45 BYPASS
JACKSON, TENNESSEE 38306

October 21, 2014

Ms. Elizabeth Summers, Administrator
Alere Women's and Children's Health, LLC
7519 Capital Drive, Suite 2
Germantown, TN 38138

RE: Annual Licensure Survey - Dated 10/15/2014 - TNHL022

Dear Ms. Summers:

We are pleased to advise you that no deficiencies were cited as a result of the annual licensure survey conducted at your facility on October 15, 2014, 2014. The enclosed form is for your records.

Thank you for the consideration shown during this survey.

Sincerely,

P. Diane Carter

P. Diane Carter, RN, LNCC
Public Health Nurse Consultant 2

PDC/gk_{yr}

Enclosure

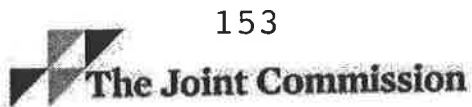
Division of Health Care Facilities

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION		(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER: TNHL022	(X2) MULTIPLE CONSTRUCTION A. BUILDING: _____ B. WING: _____		(X3) DATE SURVEY COMPLETED 10/16/2014
NAME OF PROVIDER OR SUPPLIER ALERE WOMEN'S AND CHILDREN'S HEALTH,		STREET ADDRESS, CITY, STATE, ZIP CODE 7519 CAPITAL DRIVE SUITE2 GERMANTOWN, TN 38138			
(X4) ID PREFIX TAG	SUMMARY STATEMENT OF DEFICIENCIES (EACH DEFICIENCY MUST BE PRECEDED BY FULL REGULATORY OR LSC IDENTIFYING INFORMATION)	ID PREFIX TAG	PROVIDER'S PLAN OF CORRECTION (EACH CORRECTIVE ACTION SHOULD BE CROSS-REFERENCED TO THE APPROPRIATE DEFICIENCY)	(X5) COMPLETE DATE	
H 002	<p>1200-8-26 No Deficiencies.</p> <p>This Rule is met as evidenced by: This agency complies with all requirements for participation reviewed for Home Care Organizations Providing Home Health Services during the annual licensure survey 10/15/14. No deficiencies were cited.</p>	H 002			

Division of Health Care Facilities
LABORATORY DIRECTOR'S OR PROVIDER/SUPPLIER REPRESENTATIVE'S SIGNATURE

TITLE

(X8) DATE



Alere Women's and Children's Health, LLC
3200 Windy Hill Road, Suite B-100
Atlanta, GA 30339

Organization Identification Number: 436425

Evidence of Standards Compliance (60 Day) Submitted: 7/11/2013

Program(s)

Home Care Accreditation

Executive Summary

Home Care Accreditation : As a result of the accreditation activity conducted on the above date(s), there were no Requirements for Improvement identified.

If you have any questions, please do not hesitate to contact your Account Executive.

Thank you for collaborating with The Joint Commission to improve the safety and quality of care provided to patients.

Evaluation of Alere compared to Alere's Mission

1. Excellent care coordination between field and call center
2. Sharing of information between regions
3. Positive comments from patients regarding field nurses and call center staff
4. Competency of co-travel (suggested we submit as a best practice)
5. Effectiveness of contracted central pharmacy
6. Coordination of care between the pharmacy (contract agency) and home care organization
7. Illinois manager participated in survey despite personal loss
8. Ability of patient to provide therapy on an ongoing basis (patients are being provided the tools for self- management)
9. Teaching/follow-up tools provided to patients for self-management

Alere Women's and Children's Health, LLC
3200 Windy Hill Road, Suite B-100
Atlanta, GA 30339

Organization Identification Number: 436425

Program(s)

Home Care Accreditation

Survey Date(s)

05/07/2013-05/07/2013, 05/08/2013-05/10/2013, 05/13/2013-
05/14/2013, 05/16/2013-05/16/2013, 05/22/2013-05/22/2013

Executive Summary

**Home Care
Accreditation :**

As a result of the accreditation activity conducted on the above date(s), Requirements for Improvement have been identified in your report.

You will have follow-up in the area(s) indicated below:

- Evidence of Standards Compliance (ESC)

If you have any questions, please do not hesitate to contact your Account Executive.

Thank you for collaborating with The Joint Commission to improve the safety and quality of care provided to patients.

156
**The Joint Commission
Summary of Findings**

Evidence of DIRECT Impact Standards Compliance is due within 45 days from the day the survey report was originally posted to your organization's extranet site:

Program:	Home Care Accreditation Program	
Standards:	PC.02.01.01	EP2

Evidence of INDIRECT Impact Standards Compliance is due within 60 days from the day the survey report was originally posted to your organization's extranet site:

Program:	Home Care Accreditation Program	
Standards:	EM.03.01.03	EP1
	IM.02.01.01	EP2
	MM.05.01.09	EP2

157
**The Joint Commission
Findings**

Chapter: Emergency Management

Program: Home Care Accreditation

Standard: EM.03.01.03

ESC 60 days

Standard Text: The organization evaluates the effectiveness of its Emergency Operations Plan.

Primary Priority Focus Area: Communication

Element(s) of Performance:

1. The organization activates its Emergency Operations Plan once a year at each site included in the plan, either in response to an actual emergency or as a planned exercise.

Note: Planned exercises should focus on the organization's response to an emergency that is likely to affect continuation of care, treatment, or services. Exercises do not need to be conducted in each community served by the organization but should be based on a regional or county response strategy where applicable. Exercises that involve substitutes for patients (such as pillows, bundles, mannequins, or live volunteers) are acceptable.



Scoring

Category : A
Score : Insufficient Compliance

Observation(s):

EP 1

Observed in Document Review at Alere Women's and Children's Health, LLC (6525 E 82nd St. Suite 101, Indianapolis, IN) site.

During the document review the home care surveyor observed the organization did not include patients or a substitute for patients in its 2012 emergency operations drill. The drill's activity was a bomb threat to the home care office building. Discussion with leadership confirmed the scope of the drill did not include its patients or field staff.

Chapter: Information Management

Program: Home Care Accreditation

Standard: IM.02.01.01

ESC 60 days

Standard Text: The organization protects the privacy of health information.

Primary Priority Focus Area: Information Management

Element(s) of Performance:

2. The organization implements its policy on the privacy of health information. (See also RI.01.01.01, EP 7)



Scoring

Category : A
Score : Insufficient Compliance

Observation(s):

158
**The Joint Commission
Findings**

EP 2

Observed in Tracer Visit at Alere Women's and Children's Health, LLC (877 Franklin Rd. Suite 205, Marietta, GA) site.

During tracer visit #4 to a patient receiving initiation of infusion services for hydration and SQ Ondansetron the surveyor observed the skilled nurse place the outer wrapper of the infusion bag for D5/LR into a box to be placed in the trash. The bag wrapper contained the prescription label with the patient's name, infusion instructions, physician, etc. Review of agency policies HIPAA 15.1 and QI-017 indicated that processes were in place to protect the privacy of PHI from unauthorized or inappropriate use by discarding in a container for shredding.

Observed in Individual Tracer at Alere of New York, Inc. (19-02 Whitestone Expressway #402, Whitestone, NY) site.

At a Whitestone home visit to initiate continuous SQ Ondansetron therapy a loading dose was administered IM. The skilled nurse used the zip lock bag that had housed the medication for the loading dose as her "garbage bag" for alcohol preps, paper, etc. The zip lock bag contained the medication label as well as patient information. This bag was then to be placed in the garbage. Organization policies indicated that processes were in place to protect PHI information though not implemented on this visit.

Chapter: Medication Management

Program: Home Care Accreditation

Standard: MM.05.01.09

ESC 60 days

Standard Text: Medications are labeled.
Note: This standard is applicable to all organizations that prepare and administer medications.

Primary Priority Focus Area: Medication Management

Element(s) of Performance:

2. Information on medication labels is displayed in a standardized format, in accordance with law and regulation and standards of practice.



Scoring

Category : A

Score : Insufficient Compliance

Observation(s):

159
**The Joint Commission
Findings**

EP 2

Observed in Tracer Visit at Alere Women's and Children's Health, LLC (877 Franklin Rd. Suite 205, Marietta, GA) site.

During tracer visit #1 to a new patient for setup of SQ Ondansetron infusion it was noted that the labels on three pre-filled medication syringes did not contain an expiration date for the medication contained in the syringes. These pre-filled syringes were prepared at the local Smyrna, Ga. Pharamerica pharmacy and delivered to the patient for use for first dose. The outer bag which contained the pre-filled syringes also did not contain an expiration date for the medication. The nurse did not administer this medication and it was destroyed. The patient received the prescribed dose of medication from another bag of medication which was issued by the main Pharamerica pharmacy that was correctly labeled. Additionally, there were no lot numbers on either the syringe labels or the packaging labels. Review of the syringes from the main pharmacy included expiration dates and lot numbers.

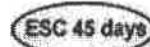
Observed in Tracer Visit at Alere Women's and Children's Health, LLC (877 Franklin Rd. Suite 205, Marietta, GA) site.

During tracer visit #4 it was noted that for this patient receiving infusion hydration services the outer packaging of the IV bag was labeled with the patient's name, rx. number, infusion instructions, physician, etc. however the bag actual bag of D5/LR solution was hung and infusing without a label. Review of a Pharamerica generated memo presented by leadership stated that IV bags were to be removed from the outer packaging and the label was to be applied to the actual bag by the local pharmacy prior to delivery. The leadership stated that the local pharmacy that prepared the IV delivery for this patient was a relatively new affiliate Pharamerica pharmacy and may have been unaware of the process identified in the memo.

Chapter: Provision of Care, Treatment, and Services

Program: Home Care Accreditation

Standard: PC.02.01.01



Standard Text: The organization provides care, treatment, or services for each patient.

Primary Priority Focus Area: Assessment and Care/Services

Element(s) of Performance:

2. Staff provide care, treatment, or services in accordance with professional standards of practice, law, and regulation.



Scoring

Category : A

Score : Insufficient Compliance

Observation(s):

EP 2

Observed in Individual Tracer at Alere Women's and Children's Health, LLC (6525 E 82nd St. Suite 101, Indianapolis, IN) site.

During a home visit (HV2) the home care surveyor observed the clinician did not provide care in accordance with professional standards and organizational policy. During the process of injecting 17P IM the clinician did not aspirate prior to administering the medication. The clinician used her left hand to isolate and hold the injection site while using the right hand to perform the stick and inject the medication. Discussion with leadership and review of policy confirmed aspirations are required prior to injecting medications.

SUPPORT LETTERS



December 16, 2015

4:08 pm

November 23, 2015

Melanie M. Hill
Health Services & Development Agency
Andrew Jackson Bldg., 9th Floor
502 Deaderick Street
Nashville, Tennessee 37243

Re: Alere Women's and Children's Health, LLC
West TN CON Expansion

Dear Ms. Hill:

On behalf of Mid-South Perinatal Associates, we would like express our strong support for the certificate of need application submitted by Alere Women's and Children's Health. We utilize Alere as needed to improve pregnancy outcomes and reduce cost of care. We have worked with Alere for many years to care for appropriate at-risk pregnant patients and feel West TN CON expansion would be beneficial to our patients and practice.

We are maternal fetal medicine specialists located within the Jackson-Madison General Hospital in Jackson TN where Dr. Wagner also serves as the Director of Perinatal Services. We specialize in caring for women with high risk pregnancies. Our outreach area includes the rural areas in West TN between Memphis and Nashville metro areas. The patients we serve are at risk of delivering prematurely or have other pregnancy-related complications. These conditions pose a serious threat to the health of the mother and baby and require close monitoring and regular care. For example, one service we have found extremely beneficial to our patients is Alere's 17P Home Administration Program. Patients with a history of preterm labor need weekly injections that are designed to reduce risk for premature delivery. Alere is able to provide these injections to our patients in Madison County where our office is located; however, they are currently unable to go into the counties beyond Madison County. Because of their lack of CON in all of West TN, we are unable to offer the same level of care to all of our patients based on where they live. Patients outside of Alere's current service area are offered the same injections but have to go into their OB office weekly to receive the injections creating a huge compliance issue. This therapy is not effective if patients do not receive their injection weekly. The patients that live in counties further from their MD offices are the ones that could benefit from Alere's services the most. Therefore, we are eager to have Alere's OB Homecare services available to all patients who may need them throughout our outreach area in West TN.

RICHARD K. WAGNER, MD, FACOG • NATHAN J. HOELDTKE, MD, FACOG

BOARD CERTIFIED IN MATERNAL-FETAL MEDICINE

JACKSON-MADISON COUNTY GENERAL HOSPITAL • 620 SKYLINE DR., JACKSON, TN 38301-3923 • 731-541-6939 • FAX: 731-541-4570

www.midsouthperinatal.com



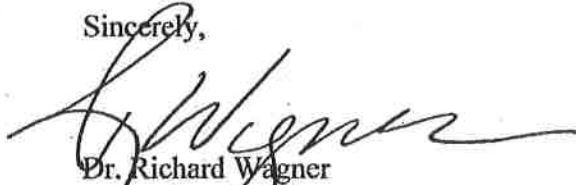
SUPPLEMENTAL #1

December 16, 2015

4:08 pm

Thank you for your consideration. We hope the Agency will take favorable action and grant the requested certificate of need.

Sincerely,

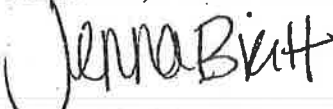


Dr. Richard Wagner

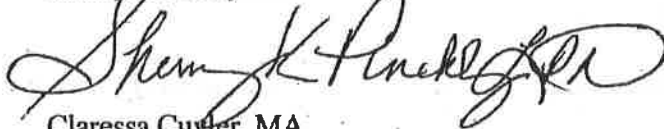


Dr. Nathan Hoeldtke

Jenna Britt, Practice Manager



Sherry Binckley, LPN



Claressa Cuyler, MA



RICHARD K. WAGNER, MD, FACOG • NATHAN J. HOELDTKE, MD, FACOG

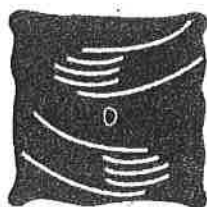
BOARD CERTIFIED IN MATERNAL-FETAL MEDICINE

JACKSON-MADISON COUNTY GENERAL HOSPITAL • 620 SKYLINE DR., JACKSON, TN 38301-3923 • 731-541-6939 • FAX: 731-541-4570

www.midsouthperinatal.com

December 16, 2015

Accredited by AUA for obstetrical ultrasound



**MID-SOUTH
MATERNAL
FETAL
MEDICINE, P.C.**

**Roy Bors-Koefoed, M.D.
Christy Smith, W.H.N.P., MSN
Shelia Thomas, F.N.P.**

December 1, 2015

Melanie M. Hill
Health Services & Development Agency
Andrew Jackson Bldg., 9th Floor
502 Deaderick Street
Nashville, Tennessee 37243

Re: Alere Women's and Children's Health, LLC
West TN CON Expansion

Dear Ms. Hill:

On behalf of Midsouth Maternal Fetal Medicine and our patients, please allow me to add our support for the CON expansion of Alere Obstetrical Homecare Services throughout West TN.

Our practice is based in Shelby County in Memphis, TN. We have outreach into multiple counties beyond Shelby and receive referrals from OB providers in many of the rural counties in West TN. We specialize in managing high risk pregnancies and are affiliated with Baptist Women's Hospital and Methodist Lebonheur Hospital. We have worked with Alere for many years and have been impressed with the care that they provide to our patients. Their 17P administration service has been of great value to our patients to provide weekly injections by an Obstetrical RN and 24/7 access to an OB nurse for these patients at risk of a preterm delivery. This level of specialized homecare has made a difference to ensure compliance of this important weekly injection which has been shown to reduce Preterm Birth rates significantly. The challenge is when a patient lives outside of Alere's CON area and we can't provide this service based on their geographic location. We have also utilized Alere for services for Recurrent Nausea and Vomiting in Pregnancy, Hypertension Management in Pregnancy and Diabetes in Pregnancy to improve pregnancy outcomes and provide options for getting patients out of the hospital and reduce ER and ante partum admissions. These are all specialty services that no other homecare company in West TN can provide.

Please approve Alere's request for CON Expansion in West TN so our practice as well as other physicians may have access to these specialty services for appropriate patients in all of the counties we service. Thanks for your consideration.

Sincerely,

Dr. Roy Bors Koefoed

December 16, 2015**4:08 pm**

Jackson Regional Women's Center

Keith A. Micetich, M.D., F.A.C.O.G., F.R.C.S.(S)
Sandra J. Boxell, M.D., F.A.C.O.G.
Lane E. Williams, M.D., F.A.C.O.G.
Pamela M. Evans, M.D., F.A.C.O.G.
Cassandra L. Fronabarger, N.P.
Rachel M. Holmes, N.P.-C

72 Physicians Drive
Jackson, TN 38305
Telephone: (731)668-4455
Front Desk Fax: (731)668-9007

November 23, 2015

Melanie M. Hill
Health Services & Development Agency
Andrew Jackson Bldg., 9th Floor
502 Deaderick Street
Nashville, Tennessee 37243

Re: Alere Women's and Children's Health, LLC
West TN CON Expansion

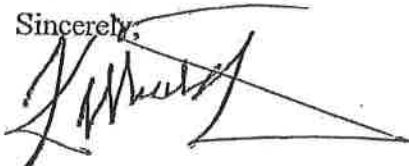
Dear Ms. Hill:

On behalf of all the physicians and staff of Jackson Regional Women's Center, we would like to offer our support of the much needed CON expansion in West TN for Alere's OB Homecare Services.

At Jackson Regional Women's Center, we specialize in OBGYN to provide quality health care for all aspects of a women's life including complicated pregnancies. We have been in practice in this area for 20 years. Our office is located in Madison County but our outreach extends to many of the rural counties in West TN. I am also the Chief of OBGYN at Regional Hospital of Jackson. We have utilized Alere's services for many years through referrals from our practice or the hospital and have experienced improved outcomes with their specialized obstetrical homecare. The difficulty we experience is when patients who need Alere's services are outside the county CON boundaries which limit the resources we can provide to patients in need of these services. We have no other resources in this area able to provide all the specialty services available through Alere. If you approve the requested CON expansion, it would obviously eliminate those boundaries, and allow us to offer consistent care to all of our appropriate patients.

Thank you for your consideration, and please let me know if there is anything more we can do to support this request for Alere's CON expansion in West TN.

Sincerely,



Dr. Keith Micetich

December 16, 2015**4:08 pm**

Surgical Associates of Martin
Women's Health

300 West Peach Street
Martin, TN 38237
731-587-2525

Elizabeth D. Lund, MD-FACOG
Jami L. Maddox, CNM
Rebecca N. Johnson, CNM

Jennifer E. Burgart, MD
Melissa Reeves, FNP
Elizabeth W. Roberts, FNP

November 23, 2015

Melanie M. Hill
Health Services & Development Agency
Andrew Jackson Bldg., 9th Floor
502 Deaderick Street
Nashville, Tennessee 37243

Re: Alere Women's and Children's Health, LLC
West TN CON Expansion

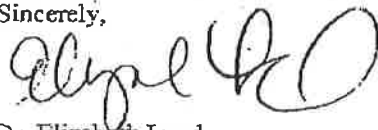
Dear Ms. Hill:

The physicians and staff of Surgical Associates of Martin would like to express our support for the certificate of need application for Alere Women's and Children's Health expansion throughout West TN.

We are located in Martin, TN which is located in Weakly County and currently outside of Alere's CON area. We provide care to many pregnant patients in all the surrounding counties in West TN north of Jackson TN. We desire to have access to Alere's Obstetrical Homecare services to assist us in improving pregnancy outcomes and to provide alternatives to repeat or prolonged hospitalization. I am familiar with Alere from when they were Matria Healthcare from utilizing their services in my own pregnancy. Their system of care including highly trained team of OB RNs, ongoing education, and daily support for our high risk patients would be a great resource for our practice and high risk pregnant patients. Patients with a history of preterm delivery who we prescribe weekly 17P progesterone injections would greatly benefit by having an OB nurse available to go into their homes to give their injections rather than traveling to their OB office weekly starting at 16 weeks until 36 weeks. This would greatly impact compliance and the effectiveness of this proven therapy. There are no other homecare companies in our area who can provide these services for our patients. Now that ALL the TennCare plans cover Alere's 17P home administration program as well as many of Alere's other services, we do feel it is important to have access to their services. This would be possible if you allow Alere the requested expansion of CON in West TN.

Thank you in advance for your consideration of this request.

Sincerely,



Dr. Elizabeth Lund



1 Cameron Hill Circle
Chattanooga, TN 37402-0001
bluecare.bcbst.com

166

SUPPLEMENTAL #1

December 16, 2015

4:08 pm

December 3, 2015

Melanie M. Hill
Executive Director
Tennessee Health Services & Development Agency
Andrew Jackson Bldg., 9th Floor
502 Deaderick Street
Nashville, Tennessee 37243

Re: Alere Women's and Children's Health, LLC
CON Application No. 1506-025

Dear Ms. Hill:

I want to express BlueCare Tennessee's strong support for the certificate of need application filed by Alere Women's and Children's Health, LLC.

Since 1994, BlueCare Tennessee has been providing health care coverage to persons who qualify for TennCare in the state of Tennessee. Our organization currently serves more than 500,000 members across the state. And, in addition to TennCare, Cover Kids and Medicare Advantage programs. We work with Alere on a regular basis to care for our TennCare members, and we rely on Alere's specialized expertise to assist us in providing high-quality, personalized care at an affordable cost.

BlueCare Tennessee is very focused on preventing preterm births. Babies who are born too soon can have serious medical issues. For example, children who are born before 37 weeks often develop breathing or developmental problems that can lead to a lifetime of doctor or hospital visits. To minimize this risk, BlueCare of Tennessee proactively works to identify members who have a history of preterm delivery, and, where appropriate, we use weekly injections of "17P" – a progesterone formulation – to quiet the uterus and allow those mothers to carry to full term. Our goal is to do what is best for the mother and child, and if we can extend a pregnancy for even a few weeks longer it can have hugely beneficial implications for the health of the baby.

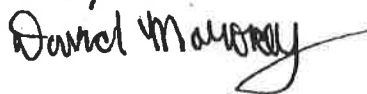
With its single focus on caring for high-risk pregnancy women and their children, Alere is an ideal partner to assist us in this important work. Alere's staff of obstetrical nurses are uniquely qualified to treat patients who need 17P, and to provide the regular and careful monitoring that those patients require. Alere's nurses are on call and available 24 hours a day. This high level of supervision and monitoring of high-risk patients significantly reduces the cost of care and improves maternal and fetal health. No other home health agency provides the specialized services offered by Alere.

December 16, 2015**4:08 pm**

BlueCare Tennessee is, therefore, very eager to see that Alere's services are available throughout all Tennessee counties. Approval of Alere's certificate of need application will improve access to this important, very specialized kind of care and result in important cost savings for the State of Tennessee, and we encourage your Agency to approve the application at the earliest opportunity.

Thank you for your attention in this matter. Please do not hesitate to contact me with any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "David Moroney", with a stylized flourish at the end.

David M. Moroney, MD
VP & Chief Medical Officer

December 16, 2015

December 9, 2015

Melanie M. Hill
Executive Director
Tennessee Health Services & Development Agency
Andrew Jackson Bldg., 9th Floor
502 Deaderick Street
Nashville, Tennessee 37243

Re: Alere Women's and Children's Health, LLC
CON Application No. 1512-056 and -57

Dear Ms. Hill:

I want to express UnitedHealthcare Community Plan's strong support for the certificate of need application filed by Alere Women's and Children's Health, LLC.

Since 2007, UnitedHealthcare Community Plan has been one of three health plans that provide health care coverage to persons who qualify for TennCare in the Middle Tennessee region. Our organization currently serves over 450,000 members across the state. And, in addition to TennCare, we participate in the Temporary Assistance to Needy Families and Medicare Advantage programs. We work with Alere on a regular basis to care for our TennCare members, and we rely on Alere's specialized expertise to assist us in providing high-quality, personalized care at an affordable cost.

UnitedHealthcare Community Plan is very focused on preventing preterm births. Babies who are born too soon can have serious medical issues. For example, children who are born before 37 weeks often develop breathing or developmental problems that can lead to a lifetime of doctor or hospital visits. To minimize this risk, United Healthcare Community Plan proactively works to identify members who have a history of preterm delivery, and, where appropriate, we use weekly injections of "17P" – a progesterone formulation – to quiet the uterus and allow those mothers to carry to full term. Our goal is to do what is best for the mother and child, and if we can extend a pregnancy for even a few weeks longer it can have hugely beneficial implications for the health of the baby.

With its single focus on caring for high-risk pregnancy women and their children, Alere is an ideal partner to assist us in this important work. Alere's staff of obstetrical nurses is uniquely qualified to treat patients who need 17P and to do the regular and careful monitoring that those patients need. Alere's nurses are on call and available 24 hours a day. This high level of supervision and monitoring of high-risk patients significantly reduces the

December 16, 2015**4:08 pm**

cost of care and improves maternal and fetal health. No other home health agency can provide the specialized services offered by Alere.

UnitedHealthcare Community Plan is, therefore, very eager to see that Alere's services are available throughout all Middle Tennessee counties. Approval of Alere's certificate of need application will improve access to this important, very specialized kind of care and result in important cost savings for the State of Tennessee, and we encourage your Agency to approve the application at the earliest opportunity.

Thank you for your attention in this matter. Please do not hesitate to contact me with any questions.

Sincerely,



Joel F. Bradley MD
Chief Medical Officer
UnitedHealthcare Community Plan of Tennessee
8 Cadillac Dr
Brentwood, TN. 37027

AFFIDAVITSTATE OF TENNESSEECOUNTY OF DAVIDSON

JOHN WELLBORN, being first duly sworn, says that he is the lawful agent of the applicant named in this application, that this project will be completed in accordance with the application to the best of the agent's knowledge, that the agent has read the directions to this application, the Rules of the Health Services and Development Agency, and T.C.A. § 68-11-1601, *et seq.*, and that the responses to this application or any other questions deemed appropriate by the Health Services and Development Agency are true and complete to the best of the agent's knowledge.

John Wellborn
SIGNATURE/TITLE
CONSULTANT

Sworn to and subscribed before me this 7th day of December, 2015 a Notary
(Month) (Year)

Public in and for the County/State of DAVIDSON



Laura Bilbrey
NOTARY PUBLIC

My commission expires June 21, 2016.
(Month/Day) (Year)

SUPPLEMENTAL #1

December 16, 2015

VIA HAND DELIVERY

Jeff Grimm, HSD Examiner
Tennessee Health Services & Development Agency
Andrew Jackson Bldg., 9th Floor
502 Deaderick Street
Nashville TN 37243

**Re: CON Application CN1512-056
Alere Women's & Children's Health (Shelby Co.)**

Dear Mr. Grimm:

Along with John Wellborn, our firm represents Alere Women's & Children's Health ("Alere") in connection with the above-reference Certificate of Need application. We are writing in response to your request dated December 9th for additional information. Our responses are numbered to correspond to the delineation of your questions. Per the applicable HSDA rule, we are providing this response in triplicate (with affidavit).

1. Section A, Applicant Profile, Item 3

As was the case with Alere's Davidson County application approved in CN1506-025A at the October 28, 2015 Agency meeting, the address for Alere Women's and Children's Health LLC continues to be noted as 3200 Windy Hill Rd in Atlanta, Georgia in the Licensed Facilities Report on the Department of Health website in lieu of the Memphis address shown in the application. Based on the supplemental response in CN1506-025A, the renewal submitted by Alere in January 2015 with accurate local office addresses for its agencies appears to remain as pending. Please provide an update on developments in this regard.

Alere is unable to provide the requested update and refers the Agency to TDH-Licensure. As previously noted, however, Alere has submitted its annual renewal information with accurate local office addresses for its agencies. Copies of the Alere TDH filing showing the correct local address is attached to this response letter.

2. Section A, Applicant Profile, Item 12

HSDA staff is aware that Alere's home health agencies in Tennessee independently contract with TennCare MCOs in the absence of Medicare provider certification for

Jeff Grimm
December 16, 2015
Page 2

reasons explained during review and hearing of Alere's recent application, CN1506-025A. It appears that the explanation provided in the 7/29/15 supplemental response for CN1506-025A would also apply to this application. If so, please confirm by providing a more detailed summary for this item.

The same explanation does apply with respect to this application.

Unlike all (or virtually all) other home health providers in Tennessee, Alere is not paid using either the TennCare or Medicare fee schedules. Indeed, most of the highly specialized services provided by Alere are not covered by either the TennCare or Medicare fee schedules. Nonetheless, the TennCare MCOs want to make these services available to their members due to the demonstrated health benefits and the significant cost savings that Alere's services make possible through sharply reduced maternal and NICU hospitalizations. To accomplish this, the TennCare MCOs independently contract with Alere on a fee-for-service basis using a negotiated fee schedule that is separate and distinct from either the TennCare or Medicare fee schedules. Under this arrangement, the MCOs pay Alere out of their own pockets and do not seek reimbursement for Alere's services from TennCare. Simply stated, Alere is not paid with TennCare dollars. Nor do the MCOs submit encounter data regarding Alere's services to TennCare.

Should the Agency have any further questions on this topic, Alere can arrange for HSDA staff to speak with Mr. Kit Dockery, Principal, Ancillary Networks, at BlueCare in Chattanooga. Mr. Dockery is very familiar with this topic, and we are happy to facilitate a discussion as needed.

3. Section B, Project Description, Item II

Discussion of the development of the proposal is noted. Please provide the following additional information for the highlights noted in this section of the application:

- **Have there been any changes in the applicant's scope of services from original CON approved in 1998 leading to licensure by TDH? Please also confirm that the agency's scope of services do not include in-home skilled nursing services for newborns by an obstetrical Registered Nurse staff member.**

No. As new home care technologies and services are developed to deliver home healthcare, they may be utilized by Alere. But, such clinical decisions remain under the scope of home health care as approved by HSDA originally, and as defined by statute and State rules and regulations.

- **In terms of the comparison of the applicant's TennCare volumes to other existing providers based on gross revenues, it appears that the applicant's 35% payor mix referenced in the summary on page 6, and other parts of the application, including pages 29, 47 and 51 (Table 11B), differs from the 67% gross revenue or 54.8% net**

Jeff Grimm
December 16, 2015
Page 3

revenue mix noted in Table 19 on page 62 of the application. Please clarify. If in error, please revise and submit a replacement page(s), as necessary.

Please see the attached revised Table 16, page 63R, which corrects the inconsistencies identified in your letter

Revised Table 16's Years One and Two Gross Revenues match the Projected Data Chart for the proposed expanded agency. The CY2014 TennCare patient mix is 41.0%. The CY2014 TennCare payor mix (on gross revenue) is 38.9%.

The 35% payor mix you reference throughout the application was the JAR payor mix for FYE ending 6-30-14. The revised Table 16 data reflects calendar year data.

- **From the applicant's experience, please discuss how the proposed service will safeguard against potential medication errors that might possibly result in serious harm (note: this question relates to skilled nursing service involving "medication infusion" and is based on comments found on page 11).**

Alere follows policies relative to safely managing infusion pumps. The policies include the requirement to validate all pump programming/dosing with two Registered Nurses ("RN") prior to patient placement. This is done to ensure the dosage is programmed per the plan of treatment. The pumps are programmed with maximum and minimum dosages as well as lock-out settings that prevent the patient from making changes to the pump that could result in the delivery of the wrong dosage of medication.

4. Section B, Project Description, Item II

It is understood the project involves no construction or renovation costs subject to CON approval. However, the applicant's remarks on page 7 reference managing the proposed services from its existing office in Germantown. What is the relationship of this office to the parent office on Lenox Park Boulevard in Memphis? Please clarify.

That location name was an error. The existing office is in Germantown. But the agency is in the process of moving and anticipates occupying the Lenox Park Boulevard address by the time this project is implemented. A revised page 7R changing the reference to Memphis consistent with the legal notice and the site control documentation is attached.

5. Section B, Project Description, Item III

Madison County appears to be centrally located to the proposed combined 23 county service area. However, Table 2 appears to reflect that the applicant has no existing RN staff that reside in Madison County nor any mention of plans to recruit same. With 2

Jeff Grimm
December 16, 2015
Page 4

hospitals and other types of providers, it seems Madison County would be an important source of qualified RNs. Please clarify.

Alere currently employs an RN living on the border of Gibson County and Madison County. This RN is responsible for covering Madison County and obviates any initial hiring needs for that county. Alere has the ability to hire additional RNs for Madison County should the need to do so arise.

6. Section C, Need, Item (Project Specific Criteria - Home Health Services)

Item1 – the need assessment prepared by the Department of Health using information from the 2014 JAR is noted. It appears that Bedford in lieu of Benton County was mistakenly included in the table on page 37. Please revise and submit a replacement page labeled 37-R.

A revised page 37R substituting the Benton County data for the Bedford data is attached. The revision reduces the service area total surplus for 2019 to 11,047. The revision has no impact on the reasoning in the narrative that references this table.

Item 6 – Table 5-A indicates the applicant's charges based on gross revenues are higher than the selected agencies by a difference ranging from approximately \$2,500 to \$4,500 higher per unduplicated patient. What factors account for the significant difference in this regard? Please clarify.

Alere provides patients and providers with a unique category of services for high-risk cases that are not available from other home health agencies. Although the cost of Alere's services can vary widely depending on the clinical situation, all of the services that Alere provides are designed to reduce the overall cost of care by mitigating and/or eliminating the need for more costly hospital stays and treatments. In addition to the high quality of care, these overall savings are what encourage payors to partner with Alere.

7. Section C, Need Item 3 and 4.A (Service Area Demographics)

Item 3 - The additional 16 counties plus the applicant's existing 7 counties amounts to a total service area of 23 counties. In addition to the need referenced in the attached support letters, what part, if any, did geography play in the applicant's decision to add the 16 counties to its licensed service area? How will the applicant maintain an active marketing presence in the additional counties given its parent office location in Memphis? Please clarify.

Geography played an important role. TennCare recipients account for a sizeable number of Alere's patients. TennCare MCO's are Statewide. It is efficient for Alere's Shelby County agency to seek regionwide licensure in one Certificate of Need in order to be available to MCOs and physician practices, wherever their patients reside. Piecemeal

December 16, 2015**4:08 pm**

Jeff Grimm
December 16, 2015
Page 5

application based on county-by-county service requests would be an inefficient and very costly exercise.

Item 4.A – Table 6 is noted. HSDA received an updated version of the total population by county, including the population of the age 15-44 age cohort, from the Department of Health in September 2015. Please check with a representative of Health Statistics to obtain a copy for review & comparison to the data provided in the table.

Pursuant to your request and clarification by telephone on December 14th, Alere has obtained the September 2015 projections for service area counties. The only new data on female population of childbearing age available currently is for 2016 (which is not relevant) and for 2018, which is this project's Year Two.

To test the impact of new 2018 childbearing female population data, we prepared new supplemental Table 12-C, which is attached and expands on the submitted Table 12-B. The new Table 12-C demonstrates that the impact of the new data on the demand projection in Alere Shelby's Year Two is slightly negative but insignificant – less than a 4.5% variance from the original Table 12-B and the projections currently in the application. Based on this, we understand that further amendments of the projected cases and of the Projected Data Charts and related narrative would not be meaningful or necessary. These new data do not significantly impact project demand, need or financial feasibility as already presented in the original filing.

8. Section C, Need Item 6 (Applicant's Projected Utilization)

Applicant's Historical and Projected Utilization- Please address the following items:

- **Table 11B – For 2014, TennCare gross revenue amounts to 35.1% of total gross revenue. Wouldn't the amount be closer to the 54.8% of net revenue shown in Table 16 despite the differences in reporting periods between the tables? Please clarify.**

The original Table 16 was in error and has been replaced by the revised Table 16 (p. 63R) pursuant to your question #3 above. The actual, corrected CY2014 TennCare payor mix now shows as 38.9% of gross revenues.

- **Table 12A – It appears the first row below the column headers is labeled as Hamilton Co. Agency in lieu of Shelby County. Please revise.**

A revised Page 51c R correcting for that typographical error is attached.

Jeff Grimm
December 16, 2015
Page 6

9. Section C, Economic Feasibility Item 2 and Item 4

Review of the Consolidated Balance Sheets for the parent company revealed an excess of current liabilities over current assets for the 2014 and 2013 fiscal year periods such that the company's current ratio may be below industry norm. Although it is understood that the capital costs of the proposal are primarily consulting fees and are minimal, is sufficient cash from cash reserves available to support the project in light of United Health Group's current obligations (such as accounts payable) as identified in current liabilities?

Yes, as a *Fortune 15* company with annual revenues in excess of \$130 billion, United Health Group has sufficient cash to cover all implementation costs associated with this application.

10. Section C, Economic Feasibility Item 6.B

Please clarify the column header of Table 15A that is labeled as "Cost Per Visit SNF Only".

Because Alere provides only skilled-care nursing visits, and agencies other than Alere report that statistic in their JAR, it was considered helpful to provide it. The other data in Table 15-A and 15-B are intended to meet or exceed what was required in the Agency review of the prior application Alere Davidson County.

11. Section C, Economic Feasibility, Item 7

The projected payor mix information in Table 16 following page 62 of the application is noted.

Please identify the commercial payor plans that reimburse for the applicant's high risk obstetrical patient and newborn home health services with specific note as to the applicant's contracted commercial plans that would apply to potential patients in the proposed 16 county expansion of the applicant's service area. In your response, please briefly describe the reimbursement methodology used by same, noting any key differences between the commercial and TennCare MCO plans.

Commercial Payor Plans include Aetna, Cigna, Humana, and United Health Care. The reimbursement from these agencies utilizes the same bundled methodology as in Alere's TennCare MCO plans. Each insurance plan is contracted with as a single entity, and the rates are set forth in individualized contracts with each plan. Those are proprietary methodologies, negotiations, and rates, just as they are for hospitals that negotiate with payers for managed care pricing.

Jeff Grimm
December 16, 2015
Page 7

12. Section C, Orderly Development, Item 3 (Staffing)

The response is noted. The applicant will find information for the requested overview of wage patterns on the Labor and Workforce Development website with several data resources provided by the Department's Employment Security Division. You can access by navigating to the "Employers" tab on the site. Scroll down to "Resources" then follow the links leading to Labor Market Information. (Note: you might also try www.tn.gov/workforce/section/employers).

Alere has reviewed the referenced website, which provides 2015 annual salary surveys for hundreds of defined occupations, including two types of healthcare employees. That website, however, only lists salary data for "licensed practical and vocational nurses", which are not RNs. Because Alere employs RNs only, it is not possible to compare Alere's projected salaries with information made available by the state Department of Labor & Workforce Development.

13. Proof of Publication

Although referenced in the application, publisher's affidavits or copies of the LOI with date and mast intact was omitted from the application. Please provide this information to confirm publication of the LOI in all 7 of the newspapers identified in the copy of the LOI that HSDA received on December 1, 2015.

In your response, please verify publication of the LOI in a newspaper of general circulation whose coverage area includes any or all of the proposed 16 counties. Please also complete the table below to help illustrate publication of the LOI for the project.

Name of Newspaper of General Circulation	Address	How often is this Newspaper Distributed?	Applicant's Proposed Service Area County (total of 16)	Date LOI Published
Camden Chronicle	144 W. Main St. Camden, TN 38320	Thursday	Benton	December 3, 2015
News Leader	24 W. Main St. Parsons, TN 38363	Wednesday	Decatur	December 2, 2015
Paris Post-Intelligencer	208 E. Wood St. Paris, TN 38242	Monday-Friday	Henry	December 2, 2015
Buffalo River Review	115 S. Mill St. Linden, TN 37096	Wednesday	Perry	December 2, 2015
Wayne County News	117 Hollis St. Waynesboro, TN 38485	Wednesday	Wayne	December 2, 2015

December 16, 2015**4:08 pm**

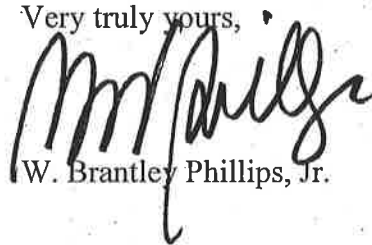
Jeff Grimm
December 16, 2015
Page 8

Jackson Sun	245 W. Lafayette St. Jackson, TN 38301	Daily	Carroll, Chester, Gibson, Henderson	December 2, 2015
Commercial Appeal	495 Union Ave. Memphis, TN 38103	Daily	Crockett, Dyer, Hardin, Lake, McNairy, Obion, Weakley	December 2, 2015

Thank you for your assistance in this matter. We hope that the foregoing provides the additional information that HSDA requires in order to accept the pending application into the next review cycle. Please do not hesitate to contact us further as needed.

With kind regards, I remain,

Very truly yours,



W. Brantley Phillips, Jr.

WBP:
Attachments

cc: John Wellborn

December 16, 2015**4:08 pm****AFFIDAVIT****STATE OF TENNESSEE****COUNTY OF DAVIDSON**NAME OF FACILITY: **Alere Women's & Children's Health**

I, **W. Brantley Phillips, Jr.**, after first being duly sworn, state under oath that I am the applicant named in this Certificate of Need application or the lawful agent thereof, that I have reviewed all of the supplemental information submitted herewith, and that it is true, accurate, and complete.

W. Brantley Phillips, Jr.
Signature/Title

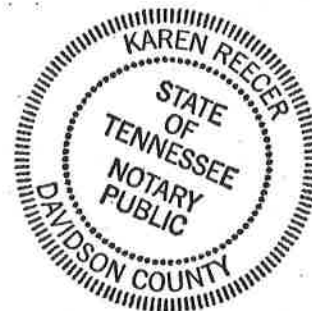
Sworn to and subscribed before me, a Notary Public, this the 16th day of December, 2015,
witness my hand at office in the County of Davidson, State of Tennessee.

Karen Reecer
NOTARY PUBLIC

My commission expires May 3, 2016.

HF-0043

Revised 7/02



SUPPLEMENTAL #2

December 18, 2015

4:00 pm

W. Brantley Phillips, Jr.
bphillips@bassberry.com
(615) 742-7723

December 18, 2015

VIA HAND DELIVERY

Jeff Grimm, HSD Examiner
Tennessee Health Services & Development Agency
Andrew Jackson Bldg., 9th Floor
502 Deaderick Street
Nashville TN 37243

**Re: CON Application CN1512-056
Alere Women's & Children's Health (Shelby Co.)**

Dear Mr. Grimm:

We are writing in response to your request dated December 17th for additional information. Our responses are numbered to correspond to the delineation of your questions. Per the applicable HSDA rule, we are providing this response in triplicate (with affidavit).

1. Proof of Publication

Although referenced in the application, publisher's affidavits or copies of the LOI with date and mast intact was omitted from the application. Please provide this information to confirm publication of the LOI in all 7 of the newspapers identified in the copy of the LOI that HSDA received on December 1, 2015.

The table was completed as requested and returned in your 12/16/15 supplemental response.

However, the requested proof of publication was omitted from the response. Please submit a publisher's affidavit for each of the 7 newspapers confirming publication on the dates identified in the table.

Please find attached proofs of publication from the following newspapers: *The Camden Chronicle*, *The News Leader*, *The Paris Post-Intelligencer*, *Buffalo River Review*, *The Wayne County News*, *The Jackson Sun* and *The Commercial Appeal*.

In addition, please find attached a revised page 37R substituting the Benton County data for the Bedford data. This revised page was requested as a part of Question #6 in your prior set of requests and was inadvertently left out of the responses filed on December 16th. We apologize for this oversight.

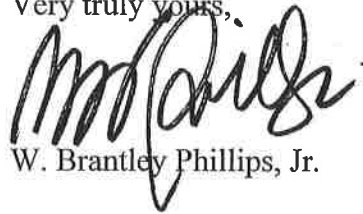
December 18, 2015**4:00 pm**

Jeff Grimm
December 18, 2015
Page 2

Thank you for your assistance in this matter. We hope that the foregoing provides the additional information that HSDA requires in order to accept the pending application into the next review cycle. Please do not hesitate to contact us further as needed.

With kind regards, I remain,

Very truly yours,



W. Brantley Phillips, Jr.

WBP:
Attachments

cc: John Wellborn

December 18, 2015**4:00 pm****AFFIDAVIT****STATE OF TENNESSEE****COUNTY OF DAVIDSON**NAME OF FACILITY: **Alere Women's & Children's Health**

I, **W. Brantley Phillips, Jr.**, after first being duly sworn, state under oath that I am the applicant named in this Certificate of Need application or the lawful agent thereof, that I have reviewed all of the supplemental information submitted herewith, and that it is true, accurate, and complete.



Signature Title

Sworn to and subscribed before me, a Notary Public, this the 18th day of December, 2015, witness my hand at office in the County of Davidson, State of Tennessee.



NOTARY PUBLIC

My commission expires May 3, 2016.

HF-0043

Revised 7/02



**NOTIFICATION
TO APPLY FOR A CER**

This is to provide official notice to the Development Agency and all interested parties with T.C.A. §§ 68-11-1601 et seq. Tennessee Health Services and Development Agency Children's Health LLC (a home health care company), intends to file an application for a license to provide home health care services limited to the care of high-risk pregnant and postpartum women, to be added to its current services, at \$79,000. Benton, Carroll, Gibson, Hardin, Henderson, Perry, Wayne, and Weakley.

The applicant is licensed as a health care facility by the Board for Licensing Health Care Facilities, principal office as of January 1, 2015, at 4000 Lenox Park Boulevard, Suite 400, Nashville, Tennessee 37219. The project does not contain major structural changes and does not require the facility to discontinue any other health services. The facility's licensed bed complement is 100.

The anticipated date of filing the application is December 15, 2015. The contact person is Andrew Jackson B. Wellborn, who may be reached at 615-665-2022. Group, 4219 Hillsboro Road, Suite 200, Nashville, Tennessee 37219.

Upon written request by interested parties, a public hearing shall be conducted. Any written objections should be sent to:

Tennessee Health Services
Andrew Jackson B. Wellborn
502 Deaderick Drive
Nashville, Tennessee 37219

Pursuant to TCA Sec. 68-11-1601, any person or institution wishing to oppose a license application must file a written objection with the Tennessee Health Services and Development Agency no later than the next regularly scheduled Health Services meeting at which the application is presented. (B) any other person wishing to file written objection with the Tennessee Health Services and Development Agency at or prior to the meeting by the Agency.

185
THE CAMDEN CHRONICLE

144 West Main Street, Camden, TN
(731)584-7200 • (731)584-4943

SUPPLEMENTAL #2

December 18, 2015

4:00 pm

PROOF OF PUBLICATION

I, Publisher of The Camden Chronicle, Camden, Tennessee, certify that the advertisement was published in said paper for 1 consecutive weeks. The first insertion was on the 3 day of Dec., 2015; the second insertion on the day of , 2015; and the third being on the day of , 2015; and the fourth on the day of , 2015. The charges of \$ 172.50 are due and have been paid.

The Camden Chronicle is the only legal newspaper published in Benton County, Tennessee. The newspaper is published each Thursday at 144 West Main Street, Camden, TN 38320.

Dennis Richardson
Dennis Richardson, Publisher

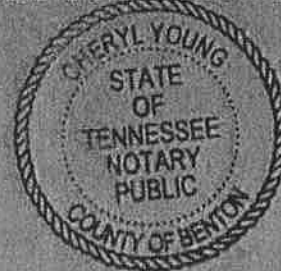
ACKNOWLEDGMENT

I, Cheryl Young, appeared before me, Cheryl Young, known (or proved to me on the basis of satisfactory evidence), to be the person described in and who executed the foregoing instrument, and acknowledgment that he executed the same as his free act and deed.

WITNESS my hand and official seal at Camden, Tennessee, this the 3 day of Dec., 2015.

My Commission Expires: June 23, 2019

Cheryl Young
Cheryl Young
State of Tennessee Notary



THE CAMDEN CHRONICLE

December 18, 2015

4:00 pm

144 West Main Street, Camden, TN
(731)584-7200 • (731)584-4943

PROOF OF PUBLICATION

I, Dennis Richardson, Publisher of The Camden Chronicle, Camden, Tennessee, certify that the following advertisement was published in said paper for 1 consecutive weeks. The first insertion being on the 3 day of Dec., 2015; the second insertion on the _____ day of _____, 2015; and the third being on the _____ day of _____, 2015; and the fourth being on the _____ day of _____, 2015. The charges of \$ 172.50 are due and have have not been paid.

The Camden Chronicle is the only legal newspaper published in Benton County, Tennessee. The Camden Chronicle is published each Thursday at 144 West Main Street, Camden, TN 38320.

Dec. 3, 2015
Date

Dennis Richardson
Dennis Richardson, Publisher

ACKNOWLEDGMENT

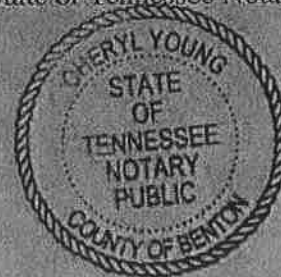
STATE OF TENNESSEE
COUNTY OF BENTON

Personally appeared before me, Cheryl Young, known (or proved to me on the basis of satisfactory evidence), to be the person described in and who executed the foregoing instrument, and acknowledgment that he executed the same as his free act and deed.

WITNESS my hand and official seal at Camden, Tennessee, this the 3 day of Dec., 2015.

My Commission Expires: June 23, 2019

Cheryl Young
Cheryl Young
State of Tennessee Notary



December 18, 2015

4:00 pm

**NOTIFICATION OF INTENT
TO APPLY FOR A CERTIFICATE OF NEED**

This is to provide official notice to the Health Services and Development Agency and all interested parties, in accordance with T.C.A. §§ 68-11-1601 et seq., and the Rules of the Health Services and Development Agency, that Alere Women's and Children's Health LLC (a home health agency with its principal office in Shelby County), owned and managed by Alere Women's and Children's Health, LLC (a limited liability company), intends to file an application for a Certificate of Need to provide home health agency services exclusively limited to the care of high-risk obstetrical patients with antepartum and postpartum needs, in the following 16 counties, to be added to its current service area, at a cost estimated at \$79,000: Benton, Carroll, Chester, Crockett, Decatur, Dyer, Gibson, Hardin, Henderson, Henry, Lake, McNairy, Obion, Perry, Wayne, and Weakley.

The applicant is licensed as a Home Health Agency by the Board for Licensing Health Care facilities. The applicant's principal office as of January 1, 2016 will be located at 3175 Lenox Park Boulevard, Suite 400, Memphis, TN 38115. The project does not contain major medical equipment or initiate or discontinue any other health service; and it will not affect any facility's licensed bed complements.

The anticipated date of filing the application is on or before December 15, 2015. The contact person for the project is John Wellborn, who may be reached at Development Support Group, 4219 Hillsboro Road, Suite 210, Nashville, TN 37215; (615) 665-2022.

Upon written request by interested parties, a local Fact-Finding public hearing shall be conducted. Written requests for hearing should be sent to:

Tennessee Health Services and Development Agency
Andrew Jackson Building, 9th Floor
502 Deaderick Street
Nashville, TN 37243

Pursuant to TCA Sec. 68-11-1607(c)(1): (A) any health care institution wishing to oppose a Certificate of Need application must file a written objection with the Health Services and Development Agency no later than fifteen (15) days before the regularly scheduled Health Services and Development Agency meeting at which the application is originally scheduled, and (B) any other person wishing to oppose the application must file written objection with the Health Services and Development Agency at or prior to the consideration of the application by the Agency.

HELP WANTED
Oshorn's CD-A 1 yr. Home
every weekend. Excellent
Health/Retirement. Benefits
Great pay up to \$4000. 2014
Equipment and Great Mileage.
Michael F. Southwest Lanes 226
432-3844

BUYERS: Immediate Opportunity!
Excellent Pay, Bonuses!
Comprehensive Benefits Incl.
100% PAID Health, Dental!
1 yr. Class-A with Tank
Endorsement.
1-855-584-8548

SWINDLE'S
Backhoe & Dozer



WE INSTALL
SEPTIC TANKS
Haul Gravel & Dirt
All types of backhoe,
dozer, and trenching
machine work, loadings
and basements

Home: 847-6146
Cell: 549-5791

NOTICE TO FURNISHERS
OF LABOR
AND MATERIALS TO:
Data Contracting Company, LLC
PROJECT NO.:
20005-0218-14
CONTRACT NO.: CWP123
COUNTY: DeCATUR
The Tennessee Department of
Transportation is about to make final
settlement with the contractor for
construction of the above referenced
project. All persons wishing to file
claims pursuant to Section 54-2-
123, T.C.A. must file same with the
Director of Construction, Tennessee
Department of Transportation, Suite
700 James K. Polk Bldg., Nashville,
Tennessee 37243-0328, on or
before 01/05/16.

REED
Dyer, TN

Hiring Drivers!
Reefer - Van - New Power Equipment
Must have experience. New & Improved Pay Scale
\$4,000 Sign-On Bonus
Paid Accessories
Health, Vision, Life, Dental, Vacation, Holidays
CALL NOW!!! Jerry Barter 800-826-9460 x.5



TRACTOR
SERVICES

• Grading
• Bush Hogging
• Tilling
• Etc
Call 731-549-6196

For all your
PAINTING
NEEDS
Anytime

We also do repair work and
interior painting. For a
FREE Estimate, call
NELSON RUGGIER
(731) 852-4550

Public Notice

PUBLICATION OF INTENT—HEALTH
SERVICES & DEVELOPMENT AGENCY

NOTIFICATION OF INTENT
TO APPLY FOR A CERTIFICATE OF NEED

This is to provide official notice to the Health Services and Development Agency and all interested parties, in accordance with T.C.A. §§ 68-11-1601 et seq., and the Rules of the Health Services and Development Agency that Alire Women's and Children's Health, LLC (a home health agency with its principal office in Shelby County), owned and managed by Alire Women's and Children's Health, LLC (a limited liability company), intends to file an application for a Certificate of Need to provide home health agency services exclusively limited to the care of high-risk obstetrical patients with antepartum and postpartum needs, in the following 16 counties, to be added to its current service area, at a cost estimated at \$79,000: Benton, Carroll, Chester, Crockett, DeCATUR, Dyer, Gibson, Hardin, Henderson, Henry, Lake, McNairy, Obion, Perry, Wayne, and Weakley.

The applicant is licensed as a Home Health Agency by the Board for Licensing Health Care facilities. The applicant's principal office as of January 1, 2016 will be located at 3175 Leona Park Boulevard, Suite 400, Memphis, TN 38115. The project does not contain major medical equipment or initiate or discontinue any other health service; and it will not affect any facility's licensed bed complements.

The anticipated date of filing the application is on or before December 15, 2016. The contact person for the project is John Wellborn, who may be reached at Development Support Group, 4219 Hillbush Road, Suite 210, Nashville, TN 37215; (615) 665-2022.

Upon written request by interested parties, a local Fact-Finding public hearing shall be conducted. Written requests for hearing should be sent to:

Tennessee Health Services and Development Agency
Andrew Jackson Building, 9th Floor
502 Denderick Street
Nashville, TN 37243

Pursuant to T.C.A. Sec. 68-11-1607(c)(1): (A) any health care institution wishing to oppose a Certificate of Need application must file a written objection with the Health Services and Development Agency no later than fifteen (15) days before the regularly scheduled Health Services and Development Agency meeting at which the application is originally scheduled; and (B) any other person wishing to oppose the application must file the written objection with the Health Services and Development Agency at or prior to the consideration of the application by the Agency.

Default having been made, and pursuant to the terms of a Deed of Trust recorded in Book 189, Page 896, as modified by agreement recorded in Book 287, Page 530, and Appointment of Substitute Trustee recorded in Book 306, Page 528, all in the Register's Office of DeCATUR County, Tennessee, to which reference is hereby made, and as Successor Trustee, I will, on THURSDAY, DECEMBER 10, 2015, at 10:00 o'clock A.M., Central Standard Time, offer for sale and sell, at the South Door of the Courthouse in DeCATUR, Tennessee, to the last, highest and best bidder, for cash in hand paid and in bar of equity of redemption, homestead, dower and all other exemptions of every kind, which are expressly waived in said Deed of Trust instrument, the following described tract or parcel of land located in DeCATUR County, Tennessee, to-wit:

Tract Map 552 Group C Ch Map 856 Parcel (00.01) Being and lying in the 5th Civil District of DeCATUR County, Tennessee, and more particularly described as follows:

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Holiday Entertaining Without the Hassle
4:00 pm

(State/Print) Rather than worry about the hassle of hosting this holiday event, prepare for visitors and entertaining with these tips and tricks.

Get a Fresh Start
Trying to prepare everything at the last minute will guarantee a stressful holiday season. Prepare for visitors and entertaining with these tips and tricks.

Make a Guest List
Seemingly daunting task can be the first step to a stress-free holiday season. Make a guest list to ensure you have enough space for everyone.

Check the Dinner Table
Rather than spending time and money shopping for expensive dinnerware, check your existing dishes for each upcoming party.

Wrap Up
Chances are you'll need some last-minute gifts for uninvited guests. Stock up on a few items with universal appeal.

Thank you to my friend
Mark Burton, I am blessed with great friends.

Santa will be at the Sardis Senior Center
This Friday, Dec. 4 at 6 p.m. Come out and enjoy. There will also be a book signing event for Winding Road to Liberty.

Happy Anniversary to Liz and Gordon Scott
Dec. 2, they will be married 43 years. We wish you many more.

Pray for Willie Smith and family
Pray for all our sick friends and neighbors and the Bobos.

Slow down, have some fun and enjoy your life.
It goes by fast.

Has Your Social Security Disability Been Denied?
For Help Call
J. MICHAEL IVEY
Attorney at Law
731-847-IVEY (4839)
Parsons, Tennessee
CALL FOR A FREE CONSULTATION

SUBOXONE FOR OPIOID ADDICTION
Contact:
Recovery of Life, PLLC
250 North Parkway, Suite 5
Jackson, TN 38305
731-217-3777

Notice of Foreclosure Sale

Default having been made, and pursuant to the terms of a Deed of Trust recorded in Book 189, Page 896, as modified by agreement recorded in Book 287, Page 530, and Appointment of Substitute Trustee recorded in Book 306, Page 528, all in the Register's Office of DeCATUR County, Tennessee, to which reference is hereby made, and as Successor Trustee, I will, on THURSDAY, DECEMBER 10, 2015, at 10:00 o'clock A.M., Central Standard Time, offer for sale and sell, at the South Door of the Courthouse in DeCATUR, Tennessee, to the last, highest and best bidder, for cash in hand paid and in bar of equity of redemption, homestead, dower and all other exemptions of every kind, which are expressly waived in said Deed of Trust instrument, the following described tract or parcel of land located in DeCATUR County, Tennessee, to-wit:

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BEING and lying in the 5th Civil District of DeCATUR County, Tennessee, and more particularly described as follows:

December 18, 2015

4:00 pm

The
Paris

Post-Intelligencer

PROOF OF PUBLICATION

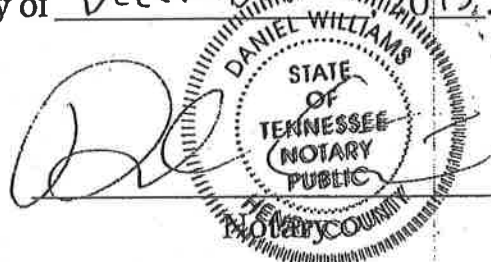
State of Tennessee --- Henry County:

This day personally before me the undersigned came **Michael B.**

Williams, Proprietor of **The Paris Post-Intelligencer**, a daily newspaper published in Paris, Tennessee, who makes oath in due form of law that the advertisement for certificat need, a copy of which has been provided, was published in said paper 12/2/15 and the printer's fee for same is \$ 124.20.

Michael B Williams

Sworn and subscribed to me this 16 day of December 2015.



My commission expires: August 22, 2017

191

Buffalo River Review

PO Box 914 • 115 South Mill St.
Linden, TN 37096
(931)589-2169 • Fax (931)589-3858

SUPPLEMENTAL #2

December 18, 2015

4:00 PM
Addresses
Ads or General Information
brreview@tds.net
News Copy Only:
brreditor@tds.net

Website:
www.buffaloriverreview.com

RE: NOTIFICATION OF INTENT

AFFIDAVIT OF PUBLICATION

STATE OF TENNESSEE
COUNTY OF PERRY

I, Sherri Groom, do swear that I am General Manager of the *Buffalo River Review*, a week newspaper published in Perry County, Tennessee, Town of Linden, having an actual and bona fide circulation in Perry County and that the NOTICE, of which the annexed and attached is true copy, was published for ONE (1) consecutive weeks, as follows, to-wit:

Wednesday, December 2, 2015

Sherri Groom

Sherri Groom, General Manager
The *Buffalo River Review*

Subscribed and sworn to before me this 4th day of December, 2015.

Ginger Edwards

Ginger Edwards, Notary Public

My commission expires April 30, 2017



PUBLIC NOTICES

Legal Notices can be viewed at our website: www.buffaloriverreview.com under the Public Notices link. Other TPA newspapers posting legal notices online may be found by visiting: www.tnpublicnotice.com (a division of tnpenn.com).

STATE OF TENNESSEE
IN THE NEWTON COUNTY COURT
NEWTON COUNTY
CASE NO. 15-011
IN THE MATTER OF THE PATERNITY OF
CHLOE PEEVYHOUSE
CHLOE PEEVYHOUSE, BY AND THROUGH
THE OFFICE OF THE NEWTON COUNTY
PROSECUTOR ATTORNEY, AND
HEATHER ORFITH
Petitioner
vs.
JOSHUA F. PEEVYHOUSE
Respondent

Comes now the Petitioner, Heather Orfith, by and through the Office of the Prosecuting Attorney by Prosecuting Attorney Jeffrey D. Orfith, The Respondent, Joshua F. Peavyhouse, fails to appear. This matter comes on for hearing on the Petitioner's Motion to Establish Paternity. The Court finds that service upon the Respondent was not perfected. The Court now orders this matter continued to February 24, 2016 at 10:00 a.m. The Office of the Prosecuting Attorney shall serve the Respondent by publication. Both parties are ORDERED to appear at said time and place.

All of which is Ordered, Adjudged, and Decreed the 8th day of November, 2015.
Honorable Jay F. Leach
Judge, Newton County Court

cc: Office of the Prosecuting Attorney
cc: Heather Orfith
cc: Joshua F. Peavyhouse

NOTICE OF SALE OF REAL ESTATE
In obedience to the Grand Jury ordered on September 2, 2015, and made in the captioned case of Perry County Nursing Home vs. Inez Hannon, Decree Number 2061, 1st of January, 2015, the 10th day of December, 2015, at 10:00 o'clock a.m., in the courtroom at the courthouse in London, Tennessee, said to the highest and best bidder, for cash, the tract of land described as follows:

TRACT NO. 1
Lying and being situated in the First Civil District of Perry County, Tennessee, located on the north side of Cedar Creek Road, and being more particularly described as follows:

Beginning at the Northeast corner of the Lands of Inez Moore Hannon as described in the deed recorded December 15, 1988 in Deed Book K-14 at Page 607 in the Perry County Register's Office; said Northeast corner being the Northwest corner of the Lands of Richard D. and Catherine A. Platt as described in the deed recorded December 2, 1987 in Deed Book K-14 at Page 304 in said Register's Office, the Southeast corner of the Lands of Michael Robert Boyd as described in the deed recorded April 24, 2000 in Deed Book D-1 at Page 784 in said Register's Office, the Southwest corner of the Lands of Randy Keith Moore as described in the deed recorded June 30, 1995 in Deed Book D-7 at Page 378 in said Register's Office, and being marked by a tree marked T-1 point in a fence, thence leaving said lands, said lands being and said lands of Moore along the common line between said Lands of Platt and said Lands of Hannon South 18°32'28" West 105.58 feet to a set W 1/4 inch iron pipe with cap stamped RLS 2003 on the north right of way line of Cedar Creek Road, and continuing South 18°32'28" West 32.65 feet to a set nail with cap stamped RLS 2003 on the centerline of said Cedar Creek Road, 200 feet wide right of way of the Northeast corner of Tract 23 of the Lands of the Fuller Family Reunion Trust as described in the deed recorded March 10, 2012 in Deed Book D-13 at Page 761 in the Perry County Register's Office, thence leaving said Lands of Platt and said Tract 23 along a new line through said Lands of Hannon, being along said centerline North 32°31'09" West 72.61 feet, along the arc of a curve to the left having a radius of 302.50 feet through a central angle of 2°20'24" for an arc length of 30.72 feet with a chord bearing and distance of North 24°35'37" West 138.59 feet to a point of tangential intersection, thence along a curve to the left having a radius of 1500.00 feet through a central angle of 9°05'34" for an arc length of 104.26 feet with a chord bearing and distance of North 27°43'32" West 104.24 feet, North 26°39'17" West 103.88 feet, along the arc of a curve to the right having a radius of 700.00 feet through a central angle of 7°09'27" for an arc length of 86.61 feet with a chord bearing and distance of North 52°36'28" West 86.56 feet, and North 11°35'48" West 61.50 feet to a set nail with cap stamped RLS 2003 at the NW corner of the east line of the Lands of James Jones and Michelle Jones as described in the deed recorded December 15, 1988 in Deed Book K-14 at Page 618 in the Perry County Register's Office; thence along the common line between said Lands of Jones and said Lands of Hannon the following courses: continuing along said centerline North 31°53'49" West 15.41 feet, along the arc of a curve to the left having a radius of 1000.00 feet through a central angle of 1°37'57" for an arc length of 245.74 feet with a chord bearing and distance of North 30°57'47" West 243.14 feet, North 42°51'44" West 230.87 feet, along the arc of a curve to the right having a radius of 3000.00 feet through a central angle of 4°28'57" for an arc length of 303.41 feet with a chord bearing and distance of North 42°57'46" West 293.88 feet to a set nail with cap stamped RLS 2003; thence leaving said Cedar Creek Road North 42°50'00" East 25.12 feet to a set nail with cap stamped RLS 2003 at the NW corner of said right of way line, and continuing North 42°50'00" East 80.63 feet to a point 12 inch factory stamp in an old fence line on the south line of said Lands of Moore; thence leaving said Lands of Jones along the common line between said Lands of Moore and said Lands of Hannon, being generally along said old fence line; South 63°28'09" East 100.30 feet to a 12 inch factory stamp; South 17°30'12" East 79.51 feet to a 14 inch Oak, South 18°57'38" East 52.25 feet to a 18 inch Oak; South 42°51'37" East 148.83 feet to a wood post at the NW corner of said 245.74 feet to a Double Maple, and South 30°57'47" East 130.65 feet to the point of beginning, containing 21.53 total acres, of which 0.72 acres are contained within the north 25 feet wide right of way of Cedar Creek Road, bearing 20.83 net acres. The above description was prepared from a survey completed on October 28, 2015 by Steve S. Keeton, R.L.S., of Fairview, Tennessee. Bearings based upon the deed recorded in Deed Book K-14 at Page 607.

This being a portion of the property conveyed to Inez Moore Hannon by J. A. and Cassius Lerner Moore as described in the deed recorded December 15, 1988 in Deed Book K-14 at Page 607 in the Perry County Register's Office.
Said sale will be for cash, 10% deposit paid at the time of sale, and balance upon completion and delivery of deed, and otherwise according to the Rules of Chancery Court.
This 10th day of November, 2015.
Charles Brown, Clerk & Master and Special Commissioner
Honorable Ricky L. Wood
Attorney for Plaintiff
P.O. Box 626
Paris, Tennessee 38363
Honorable Melinda Taylor Cagle
Attorney for W.C. Hannon
1000 N. Oak Drive
Gerrardville, Tennessee 37033
Honorable Paul A. England
Grandfathered Attorney for Hannon
P.O. Box 454
Decaturville, Tennessee 38638

FORECLOSURE SALE
Whereas, Christopher O. Crenshaw, by a Deed of Trust dated the 20th day of August, 2007, of record in Book 85, Page 929, Register's Office of Perry County, Tennessee, conveyed to BMY, Inc., Tennessee, as Trustee, the below described property to secure the payment of a Promissory Note payable to Finance Creditors and said, Lesa Gower, and

Whereas, Billy W. Townsend, the said Trustee, is unable to sell such Trustee, and Ricky L. Wood is hereby appointed by Appointment of Substitute Trustee of record in Book 117, Page 808, Register's Office of Perry County, Tennessee;
Whereas, default in the payment of the Note secured by said Deed of Trust has been made; and
Whereas, the owner and holder of said Note has demanded that the said property be advertised and sold in satisfaction of said debt and the cost of the foreclosure, in accordance with the terms and provisions of said Note and Deed of Trust;
Now, therefore, notice is hereby given that F. Ricky L. Wood, Substitute Trustee, pursuant to the terms, duty and authority created and imposed upon me, in said Deed of Trust with on the 10th day of December, 2015, at 10:00 o'clock A.M. at the North door of

the Perry County Courthouse, London, Tennessee, offer for sale to the highest and best bidder for cash and free from the equity of redemption, interest, power and all other exemptions as provided in said Deed of Trust, certain real property situated in Perry County, Tennessee, described as follows:

Being and lying in the Second Civil District of Perry County, Tennessee and more particularly described and bounded as follows: Lying and being situated in the Second (2nd) Civil District of Perry County, Tennessee and lying West of and adjacent to Old Decaturville Road, being more particularly described as follows, to-wit: Beginning at an iron pin set in the West R.O.W. of Old Decaturville Road, said said line being in the Southeast corner of Johnny Woodard as recorded in Deed Book E-6, Page 145, Register's Office of Perry County, Tennessee, and being the Northwest corner of the tract being

disclosed; thence leaving Woodard with said West road R.O.W. South 30 degrees, 30 minutes, 00 seconds East 178.81 feet to an iron pin set in a stone along said iron pin being the Northeast corner of said Johnnie's as recorded in Deed Book E-6, Page 145, Register's Office of Perry County, Tennessee, and being the Southeast corner of the tract being disclosed; thence leaving said West road R.O.W. with Robert Wood 65 degrees, 00 minutes, 00 seconds West 214.00 feet to an iron pin set, thence continuing with Robert Wood 88 degrees, 52 minutes, 51 seconds West and passing an iron pin set at 210 feet, to NW 238.00 feet to a point in Tom's Creek, said point being the Southeast corner of the tract being disclosed and being the Northwest corner of Johnnie's as recorded in Deed Book E-6, Page 145, Register's Office of Perry County, Tennessee; thence leaving Robert with Woodard North 75 degrees 43 minutes, 51 seconds East 60.24, North 57 degrees, 50 minutes, 40 seconds East 69.33 feet to a Four Gum marked for corner at edge water and being the Northwest corner of the tract being disclosed, thence continuing with Woodard North 87 degrees, 16 minutes, 21 seconds East 130.83 feet to an NW Pin Oak; thence continuing with Woodard North 81 degrees, 53 minutes, 15 seconds East 106.00 feet to an IPS in a ditch; thence continuing with Woodard North 25 degrees 10 minutes, 10 seconds East 74.41 feet to the point of beginning and containing 0.82 acre, as surveyed by Kenneth Connel, R.L.S., TN License No. 12315, July 2000. This conveyance is subject to the TN A/R easement in subdivision 301 feet as described in Deed Book N-24, Page 137, TN, 18, Page 18 and the abandonment of mobile control, recorded in Deed Book X-34, 317, Register's Office of Perry County, Tennessee.

Also conveyed hereto is a 1989 BUICK mobile home, VIN ALUS3W32282405A, ALUS3W32282405A, which are situated and permanently affixed to the said

Pursuant to TENNESSEE CODE ANNOTATED Sec. 66-24-110, the authority to sell the said property and the said mobile home is hereby conferred upon the said Trustee, and the same is hereby confirmed; being the same property conveyed to Christopher O. Crenshaw, by deed of Perry County and said, Lesa Gower, dated August 30, 2007, of record in Deed Book E-6, Page 853, Register's Office of Perry County, Tennessee.

Said sale may be adjourned to another time or may be postponed to another date by public announcement at the appointed time of sale without need of advertisement.

Said sale will be for cash. Title to the property is believed to be good but I will sell as Substitute Trustee only.

Dated at Paris, Tennessee, on this 10th day of November, 2015.

Ricky L. Wood, Attorney Substitute Trustee
Post Office Box 626
Paris, Tennessee 38363

PUBLICATION OF BIRTH-DEATH SERVICES & DEVELOPMENT AGENCY

The following shall be published in the "Legal Notices" section of the newspaper, in a space no smaller than two (2) columns by two (2) inches:

NOTIFICATION OF INTENT TO APPLY FOR A CERTIFICATE OF NEED

This is to provide official notice in the Health Services and Development Agency and all interested parties, in accordance with TCA, §§ 68-11-1001 et seq., and the Rules of the Health Services and Development Agency, that the Health Services and Development Agency (HSDA) is hereby notified by the Health Services and Development Agency of its intent to apply for a Certificate of Need to provide health services exclusively related to the care of high-risk obstetrical patients with antepartum and postpartum needs. In the following 18 months, to be added to its current service area; of a cost estimated at \$70,000; Dr. Charles, Charles, Crockett, Crockett, Dyer, Gibson, Hunter, Henderson, Harty, Lake, McCall, Olson, Perry, Wayne, and Winkler. The application is being filed with the Health Services and Development Agency, 4218 Highway Road, Suite 310, Hickory, TN 37135; (615) 655-2002.

Upon written request by interested parties, a local fact-finding public hearing shall be conducted. Written requests for hearing should be sent to:

Tennessee Health Services and Development Agency
Attn: Charles, Crockett, Crockett, Dyer, Gibson, Hunter, Henderson, Harty, Lake, McCall, Olson, Perry, Wayne, and Winkler
802 Davidson Road
Nashville, TN 37203

Pursuant to TCA Sec. 68-11-1007(b)(1) (A) any health care institution wishing to oppose a Certificate of Need application must file a written objection with the Health Services and Development Agency no later than 180 days before the regularly scheduled Health Services and Development Agency meeting at which the application is originally scheduled, and (B) any other person wishing to oppose the application must file written objection with the Health Services and Development Agency at or prior to the consideration of the application by the Agency.

NOTICE TO CREDITORS
As required by TCA §§ 68-6-301
Cassie Hannon, Decedent
In the Matter of the Estate of REBECCA A. REED, Decedent
Notice is hereby given that on the 24th day of November, 2015, Letters of Administration in respect to the Estate of REBECCA A. REED, who died November 13, 2015, were issued to the undersigned by the Chancery Court of Perry County, Tennessee.

All persons, resident and non-resident, having claims, matured or unmatured against the Estate are hereby notified in the same to file with the Clerk of the above named Court, on or before the tenth day of the date prescribed in (1) or (2) otherwise their claims will be forever barred.
(1) [A] Four (4) months from the date of the first publication for posting, as the case may be; of this notice if the creditor received an actual copy of this notice in accordance with least city (80) days before the date that is less (4) months from the date of the first publication for posting; or
(2) Thirty (30) days from the date the creditor received an actual copy of the notice to creditors if the creditor received the copy of the notice less than sixty (60) days prior to the date that is less (4) months from the date of the first publication as described in (1) (A); or
(3) Twelve (12) months from the decedent's date of death.

This 24th day of November, 2015, at the above Estate matter comes before and make proper settlement with the undersigned at once.

Jeffrey R. Boyd, Administrator
Charles Brown, Perry County Clerk & Master

Attorney for Estate:
Kathleen M. Moore
One East Main Street
P.O. Box 843
London, TN 37095

Ed 12/17

DEC 18 '15 PM 4:05

SUPPLEMENTAL #2

December 18, 2015

4:00 pm

The Wayne County News

WAYNESBORO, TENNESSEE

State of Tennessee, Wayne County:

Lisa Carter, Bookkeeper of The Wayne County News, a weekly newspaper printed and published at Waynesboro, Wayne County, Tennessee, solemnly swear that the attached Notice was published in the said newspaper for 1 consecutive issues, beginning with the issue of 12/2, 20 15 and ending with the issue of 12/2, 20 15

Lisa Carter

Subscribed and sworn to before me, a Notary Public, in and for said county and state, this 2nd day of December, 20 15

Kathryn Brisson Notary Public
My commission expires July 23, 20 18

<u>12</u>	<u>inches/words</u>	\$ <u>163.60</u>
_____	<u>inches/words</u>	\$ _____
_____	<u>inches/words</u>	\$ _____
_____	<u>inches/words</u>	\$ _____
_____	<u>inches/words</u>	\$ _____
_____	<u>inches/words</u>	\$ _____
_____	<u>inches/words</u>	\$ _____
Total Publication Fees Due		\$ <u>163.60</u>

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TCAT-Crumpp offers a **SUPPLEMENTAL #2** evening Welding Technology program. Interested parties should contact the College at (731) 632-3393 for enrollment information.

COMMUNITY EVENTS

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**NOTIFICATION OF INTENT
TO APPLY FOR A CERTIFICATE OF NEED**

This is to provide official notice to the Health Services and Development Agency and all interested parties, in accordance with T.C.A. §§ 68-11-1601 et seq., and the Rules of the Health Services and Development Agency, that Alerc Women's and Children's Health LLC (a home health agency with its principal office in Shelby County), owned and managed by Alerc Women's and Children's Health, LLC (a limited liability company), intends to file an application for a Certificate of Need to provide home health agency services exclusively limited to the care of high-risk obstetrical patients with antepartum and postpartum needs, in the following 16 counties, to be added to its current service area, at a cost estimated at \$79,000: Benton; Carroll, Chester, Crockett, Decatur, Dyer, Gibson, Hardin, Henderson, Henry, Lake, McNairy, Obion, Perry, Wayne, and Weakley.

The applicant is licensed as a Home Health Agency by the Board for Licensing Health Care facilities. The applicant's principal office as of January 1, 2016 will be located at 3175 Lenox Park Boulevard, Suite 400, Memphis, TN 38115. The project does not contain major medical equipment or initiate or discontinue any other health service; and it will not affect any facility's licensed bed complements.

The anticipated date of filing the application is on or before December 15, 2015. The contact person for the project is John Wellborn, who may be reached at Development Support Group, 4219 Hillsboro Road, Suite 210, Nashville, TN 37215; (615) 665-2022.

Upon written request by interested parties, a local Fact-Finding public hearing shall be conducted. Written requests for hearing should be sent to:

Tennessee Health Services and Development Agency
Andrew Jackson Building, 9th Floor
502 Deaderick Street
Nashville, TN 37243

Pursuant to TCA Sec. 68-11-1607(c)(1): (A) any health care institution wishing to oppose a Certificate of Need application must file written objection with the Health Services and Development Agency no later than fifteen (15) days before the regularly scheduled Health Services and Development Agency meeting at which the application is originally scheduled, and (B) any other person wishing to oppose the application must file written objection with the Health Services and Development Agency at or prior to the consideration of the application by the Agency.

December 18, 2015

4:00 pm

AFFIDAVIT OF PUBLICATION

0000885999

Newspaper Jackson Sun

State of Tennessee

Account Number NAS-300253JS

Advertiser BASS BERRY AND SIMS PLC

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NASHVILLE, TN 37201

TEAR SHEET
ATTACHEDV Perry

Sales Assistant for the above mentioned newspaper,

hereby certify that the attached advertisement appeared in said newspaper on the following dates:

12/02/15

V Perry

Subscribed and sworn to before me this

4th

day of

Dec 2015Donna Walker

Notary Public

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MAY 08, 2017

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Continued from last column

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12 NOON**

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2. ERICA WILLIAMS UNIT K30
3. LESLIE PLUNK UNIT F132**

Continued on next column

IN CASE OF HEAVY RAIN, AUCTION WILL BE HELD SUNDAY DEC. 4, 2015

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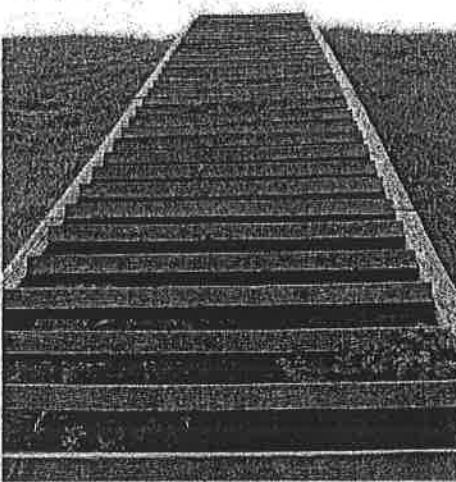
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00000002 Public Notice

DATE-NOVEMBER 20, 2015 SUBJECT: Abandoned Vehicles

The Tennessee Highway Patrol has recovered the below listed vehicles:

YEAR	MAKE	MODEL	VIN
2001	Ford	Explorer	7FARJ6E4ZAT991

Tennessee Highway Patrol Headquarters, 30 Vant Drive, Jackson, TN
Phone 731-673-6525

Failure to respond to this notice within ten (10) working days serves as
waiver of all ownership rights and gives consent to the holder of said vehicle
for its sale.

Public Notices **Public Notices**

NOTIFICATION OF INTENT TO APPLY FOR A CERTIFICATE OF NEED

This is to provide official notice to the Health Services and Development Agency and all interested parties, in accordance with TCA § 36-18-1701 et seq., and the Rules of the Health Services and Development Agency, that Albert Wornatka and Collette Ann Hultin, as the health agency, intend to apply for a Certificate of Need to provide health care in Shelby County and are managed by Albert Wornatka and Collette Ann Hultin, LLC by the name of Health Services and Development Agency for a Certificate of Need to provide health care services exclusively for the use of the state of Tennessee and its residents and employees and to discontinue any other services and facilities to be added to its current service area, at a cost estimated at \$1,000,000. The following are the names of the individuals: Wornatka, Hultin, Henderson, Henry, Lutz, McElwain, Chilton, Perry, Weiss, and Winkler.

The applicant is licensed as a Health Services Agency by the Board of Health Services, Health Care Institutions, the currently regulated entity as of January 1, 2015, will be located at 23735 Lamar Pike, Smythwood, South 40605, Memphis, TN 38115. The project does not contain major modifications to the existing facility or discontinue any other services and facilities and will not affect any facility's licensed bed counts/occupancies.

The submitted date of filing the application is on or before December 31, 2015. The contact person for the project is John Wornatka, Health Services and Development Agency, 6239 Midknight Road, Suite 210, Nashville, TN 37215; 615 605-2922.

Upon written request by interested parties, a local facility's public hearing shall be conducted. Written requests for hearings should be filed by 5:00.

Interested Health Services and Development Agency
Andrew Jackson Building, 8th Floor
503 Nashville Street
Nashville, TN 37243

Permitted to TCA Sec. 36-11-1003(d)(2)-(4) any health care institution wishing to acquire a Certificate of Need application must file the application with the Health Services and Development Agency no later than fifteen (15) days before the regularly scheduled Health Services and Development Agency meeting at which the application will be considered. The Health Services and Development Agency will process the application filed within objection with the Health Services and Development Agency at or prior to the consideration of the

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December 18, 2015

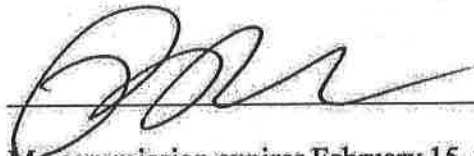
4:00 pm

**The Commercial Appeal
Affidavit of Publication****STATE OF TENNESSEE
COUNTY OF SHELBY**

Personally appeared before me, Patrick Maddox, a Notary Public, Helen Curl, of MEMPHIS PUBLISHING COMPANY, a corporation, publishers of The Commercial Appeal, morning and Sunday paper, published in Memphis, Tennessee, who makes oath in due form of law, that she is Legal Clerk of the said Memphis Publishing Company, and that the accompanying and hereto attached advertisement was published in the following editions of The Commercial Appeal to-wit:

December 2, 2015

Subscribed and sworn to before me this 3rd day of December, 2015.



Notary Public

My commission expires February 15, 2016.



My Commission Expires 02/15/2016

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Legal Notices

NOTIFICATION OF INTENT TO APPLY FOR A CERTIFICATE OF NEED

This is to provide official notice to the Health Services and Development Agency, and all interested parties, in accordance with T.C.A. §§ 68-11-1601 et seq., and the Rules of the Health Services and Development Agency, that Alere Women's and Children's Health LLC (a home health agency with its principal office in Shelby County), owned and managed by Alere Women's and Children's Health, LLC (a limited liability company), intends to file an application for a Certificate of Need to provide home health agency services exclusively limited to the care of high-risk obstetrical patients with antepartum and postpartum needs, in the following 18 counties, to be added to its current service area, at a cost estimated at \$79,000: Benton, Carroll, Chester, Crockett, Decatur, Dyer, Gibson, Hardin, Henderson, Henry, Lake, McNairy, Obion, Perry, Wayne, and Weakley.

The applicant is licensed as a Home Health Agency by the Board for Licensing Health Care Facilities. The applicant's principal office as of January 1, 2016 will be located at 3175 Lenoir Park Boulevard, Suite 400, Memphis, TN 38115. The project does not contain major medical equipment or initiate or discontinue any other health service, and it will not affect any facility's licensed bed complements.

The anticipated date of filing the application is on or before December 15, 2015. The contact person for this project is John Wellborn, who may be reached at Development Support Group, 4219 Hillsboro Road, Suite 210, Nashville, TN 37215; (615) 655-2022.

Upon written request by interested parties, a local fact-finding public hearing shall be conducted. Written requests for hearing should be sent to:

Tennessee Health Services and Development Agency
Andrew Jackson Building, 9th Floor
502 Deaderick Street
Nashville, TN 37243

Pursuant to TCA Sec. 68-11-1607(c)(1): (A) any health care institution wishing to oppose a Certificate of Need application must file a written objection with the Health Services and Development Agency no later than fifteen (15) days before the regularly scheduled Health Services and Development Agency meeting at which the application is originally scheduled, and (B) any other person wishing to oppose the application must file written objection with the Health Services and Development Agency at or prior to the consideration of the application by the Agency.

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SUPPLEMENTAL #2

December 18, 2015
4:00 pm

DEC 18 2015

LETTER OF INTENT -- HEALTH SERVICES & DEVELOPMENT AGENCY

The Publication of Intent is to be published on or before December 10, 2015, for one day, in the following newspapers:

(a) The *Camden Chronicle*, which is a newspaper of general circulation in *Benton* County;

(b) The *News Leader*, which is a newspaper of general circulation in *Decatur* County;

(c) The *Paris Post-Intelligencer*, which is a newspaper of general circulation in *Henry* County;

(d) The *Buffalo River Review*, which is a newspaper of general circulation in *Perry* County;

(e) The *Wayne County News*, which is a newspaper of general circulation in *Wayne* County;

(f) The *Jackson Sun*, which is a newspaper of general circulation in *Carroll*, *Chester*, *Gibson*, *Henderson* Counties; and

(g) The *Commercial Appeal*, which is a newspaper of general circulation in *Crockett*, *Dyer*, *Hardin*, *Lake*, *McNairy*, *Obion*, and *Weakley* Counties.

This is to provide official notice to the Health Services and Development Agency and all interested parties, in accordance with T.C.A. §§ 68-11-1601 *et seq.*, and the Rules of the Health Services and Development Agency, that Alere Women's and Children's Health LLC (a home health agency with its principal office in Shelby County), owned and managed by Alere Women's and Children's Health, LLC (a limited liability company), intends to file an application for a Certificate of Need to provide home health agency services exclusively limited to the care of high-risk obstetrical patients with antepartum and postpartum needs, in the following 16 counties, to be added to its current service area, at a cost estimated at \$79,000: Benton, Carroll, Chester, Crockett, Decatur, Dyer, Gibson, Hardin, Henderson, Henry, Lake, McNairy, Obion, Perry, Wayne, and Weakley.

The applicant is licensed as a Home Health Agency by the Board for Licensing Health Care facilities. The applicant's principal office as of January 1, 2016 will be located at 3175 Lenox Park Boulevard, Suite 400, Memphis, TN 38115. The project does not contain major medical equipment or initiate or discontinue any other health service; and it will not affect any facility's licensed bed complements.

The anticipated date of filing the application is on or before December 15, 2015. The contact person for the project is John Wellborn, who may be reached at Development Support Group, 4219 Hillsboro Road, Suite 210, Nashville, TN 37215; (615) 665-2022.



(Signature)

1 DECEMBER 2015

(Date)

bphillips@bassberry.com

(E-mail Address)

**CERTIFICATE OF NEED
REVIEWED BY THE DEPARTMENT OF HEALTH
DIVISION OF POLICY, PLANNING AND ASSESSMENT
615-741-1954**

DATE: February 29, 2016

APPLICANT: Alere Woman's and Children Health
3175 Lenox Park Boulevard
Memphis, Tennessee 38115

CN1512-056

CONTACT PERSON: John Wellborn
Development Support Group
4219 Hillsboro Road, Suite 210
Nashville, Tennessee 37215

COST: \$79,000

In accordance with Section 68-11-1608(a) of the Tennessee Health Services and Planning Act of 2002, the Tennessee Department of Health, Division of Policy, Planning, and Assessment, reviewed this certificate of need application for financial impact, TennCare participation, compliance with *Tennessee's State Health Plan*, and verified certain data. Additional clarification or comment relative to the application is provided, as applicable, under the heading "Note to Agency Members."

SUMMARY

The applicant, Alere Women's and Children's Health, LLC, (AWCH) seeks a Certificate of Need (CON) to provide home health services exclusively to the care of high-risk obstetrical patients and newborns with antepartum and immediate postpartum needs by adding 16 counties to its current service area. Alere has a specialized and critically important home care mission. Alere works with, and under the direction of patients' physicians to provide clinically state-of-the-art home care to high risk obstetrical patients. Alere does not provide other services or care for newborns.

AWCH is a licensed home health agency. The applicant's principal office is located at 3175 Lenox Park Boulevard, Memphis, Tennessee 38115. The project does not contain any major medical equipment or initiate or discontinue any other health service; nor affect any facilities licensed bed compliments.

AWCH, LLC is wholly owned by Alere Health, LLC, which is wholly owned by Optum Health Care Solution's, Inc. and is ultimately owned by United Health Group. Attachment A.4 contains more detailed information and an organizational chart for Optum and its subsidiaries.

The total project cost is \$79,000 and will be funded through cash reserves as documented by letter in Attachment C, Economic Feasibility.

GENERAL CRITERIA FOR CERTIFICATE OF NEED

The applicant responded to all of the general criteria for Certificate of Need as set forth in the document *Tennessee's State Health Plan*.

NEED:

The applicant's **current** service area includes Shelby, Madison, Fayette, Hardeman, Haywood, Lauderdale, and Tipton counties.

The applicant's service area contains the following counties.

County	2016 Population	2020 Population	% of Increase/ (Decrease)
Benton	398,134	16,741	0.4%
Carroll	28,380	28,207	-0.6%
Chester	18,260	18,978	3.9%
Crockett	14,884	15,080	1.3%
Decatur	11,963	12,077	1.0%
Dyer	39,306	39,872	1.4%
Gibson	51,394	52,438	2.0%
Hardin	25,557	26,783	0.9%
Henderson	29,349	30,298	3.2%
Henry	33,439	34,055	1.8%
Lake	8,299	8,579	3.4%
McNairy	27,179	27,760	2.1%
Obion	31,692	31,559	-0.4%
Perry	8,266	8,466	2.4%
Wayne	17,428	17,642	1.2%
Weakley	36,066	36,360	0.8%
Total	398,134	404,895	1.7%

Tennessee Population Projections 2000-2020, 2015 Revised UTCBER, Tennessee Department of Health

AWCH is a highly specialized home health agency that has served seven West Tennessee counties for many years. It is one of three Alere home health agencies in Tennessee, and is part of a national network of Alere agencies supported by regional clinical centers that electronically monitor health status of Alere patients and participate in the patients care.

AWCH works with, and under the direction of patients' physicians, to provide clinically state-of-the-art home care exclusively to high-risk obstetrical patients and newborns for their antepartum and postpartum care. Alere does not provide any other type of home health services.

Alere is proposing to add sixteen counties to the service area of its Shelby County principal office to be able to serve referring physicians' patients where ever they live in the Eastern Tennessee area. Alere's application is the first of three applications being submitted to expand Alere's three service areas from 34 relatively populous counties to all 95 counties, including the least populous and lowest income counties.

2014 Alere Women's and Children's Health Tennessee

County	Patients	Patient Days	TennCare Percentage	TennCare Revenue	Commercial Percentage	Commercial Revenue
Davidson	186	13,842	47.98%	\$305,662	51.91%	\$330,665
Hamilton	41	42,959	54.00%	\$201,108	36.76%	\$136,851
Shelby	376	23,253	35.10%	\$440,733	63.07%	\$792,107
Totals						

Source: *Joint Annual Report of Home Health Agencies, 2014 (Final)*.

Alere identifies the need for their services based on the following points:

- Alere's programs protect the lives of physician/payor identified high risk expectant mothers, and prevent fetal and newborn health problems that impose high medical and societal costs during and after pregnancy. Alere's interventions reduce costly emergency room visits, maternal hospitalizations, and newborn admissions to Neonatal Intensive Care Units (NICU). Alere states they have positive impacts on restraining costs of care and on increasing high quality outcomes that have resulted in strong physician and insurer support where ever it operates. According to the applicant, approximately 47% of the agency's patients are TennCare mothers, which provide fiscal benefits to State government.
- The applicant states TennCare MCOs need universal availability of Alere's services throughout the State. Physicians, insurers, and patients need access to this unique level of care. Many home health agencies avoid serving the high risk population due to the risks of litigation and liability should things not go well.

- Approval of this project will result in greater accessibility to care for all high-risk pregnant women, especially TennCare patient who the applicant states are not adequately served today. Many of the patients Alere serves could potentially seek care at local emergency rooms or as hospital inpatients.
- Alere believes the expansion of its service area will have a minimal impact on other providers due to the unique and specialized nature of their services. In 2014, the applicant reports the agencies licensed in these 16 counties served 16,097 patients. No agencies in the proposed service are dedicated to serving the population the applicant serves. Alere proposes to serve just 96 patients in year two of this project.

Some of the benefits of the interventions Alere provides are elimination of barriers to care such as transportation problems, childcare issues, missing scheduled visits, reduced costs of emergency room visits, maternal hospitalizations, NICU care, and future health and societal costs, and a cost savings per birth in Medicaid savings.

TENNCARE/MEDICARE ACCESS:

The applicant will contract with the MCOs, not TennCare. Alere is a major provider of care for TennCare patients through service contracts negotiated with all TennCare MCOs themselves.

The applicant projects year one TennCare/Medicaid gross revenues of \$1,203,240.41 or 38.9% of total gross revenues.

ECONOMIC FACTORS/FINANCIAL FEASIBILITY:

The Department of Health, Division of Policy, Planning, and Assessment have reviewed the Project Costs Chart, the Historical Data Chart, and the Projected Data Chart to determine if they are mathematically accurate and if the projections are based on the applicant's anticipated level of utilization. The location of these charts may be found in the following specific locations in the Certificate of Need Application or the Supplemental material:

Project Costs Chart: The Project Costs Chart is located on page 55 of the application. The total project cost is \$79,000.

Historical Data Chart: The Historical Data Chart is located on page 56 of the application. The applicant reported 425, 417, and 406 patients in 2012, 2013, and 2014 with net operating revenues of \$714,409, \$625,020, and \$480,727 each year, respectively.

Projected Data Chart: The Projected Data Chart for both the current and proposed counties is located on page 58 of the application. The applicant projects 452 patients in year one and 489 patients in year two, with net operating revenues of \$492,366 and \$498,402 each year, respectively.

The Projected Data Chart for the proposed new counties only is located on page 57 of the application. The Applicant projects 59 patients in year one and 96 patient in year two with net operating revenues of \$49,530 and \$55,568 each year, respectively.

Average gross charges for the proposed 23 counties are as follows:

	Year One	Year Two
Patients	59	96
Average Gross Charge per Patient	\$6,843	\$6,843
Average Deduction per Patient	\$4,635	\$4,635

Average Net Charge per Patient	\$2,20	\$2,208
Average Net Operating Revenue Per Patient	\$839	\$579

Gross charges for all counties are as follows:

	Year One	Year Two
Patients	452	489
Average Gross Charge per Patient	\$6,843	\$6,843
Average Deduction per Patient	\$4,635	\$4,635
Average Net Charge per Patient	\$2,208	\$2,208
Average Net Operating Revenue Per Patient	\$1,089	\$1,019

The applicant decided to pursue this project due to continuous requests from referring physicians to extend their services to a wider geographic service area. The choosing of the 23 counties was dictated by an internal long range plan to expand Alere in order to serve the TennCare population

CONTRIBUTION TO THE ORDERLY DEVELOPMENT OF HEALTHCARE:

Alere does not require transfer agreements because they are a service organization rather than a facility. If Alere patients develop a need for hospitalization, their physicians and patients request admission and patient transport via ambulance.

Alere does not believe their projected 96 patients in year to will have a negative impact on service area providers, many of whom do not serve pregnant women.

The project will have a positive impact on the health of individuals in these rural counties. Tennessee is above the national average for premature births. The strongest impact of this project will be a reduction of costly emergency room visits, maternal acute care admissions, NICU admissions of preterm babies, and excessive visits to obstetricians' offices.

The applicant's current and projected staffing is located on page 68 of the application. The applicant will increase from 8 registered OB nurses to 25 by year two. The days of service for these 14 additional registered nurses and call center staff will cumulatively total approximately 714.2 FTE equivalents. Of that, 4.4 FTE equivalents are cumulative per diems from the pool of qualified OB registered nurses who are employed by Alere to perform home care services under Alere protocols and under the direction of physicians.

Alere is licensed by the Tennessee Department of Health, Board for Licensing Healthcare Facilities and accredited by the Joint Commission. Alere earned a Gold Seal from the Joint Commission for system-wide excellence.

SPECIFIC CRITERIA FOR CERTIFICATE OF NEED

The applicant responded to all relevant specific criteria for Certificate of Need as set forth in the document *Tennessee's State Health Plan*.

HOME HEALTH SERVICES

1. The need for home health agencies/services shall be determined on a county by county basis.
2. In a given county, 1.5 percent of the total population will be considered as the need

estimate for home health services in that county.

The 1.5 percent formula will be applied as a general guideline, as a means of comparison within the proposed service area.

The Department of Health, Division of Policy, Planning, and Assessment calculated the service area bed need surplus of (11,321) beds. No county in the designated service area has a need for new home health services. However, the applicant states the formula uses the entire population and not women of childbearing age that have high risk pregnancies that Alere projects.

3. Using recognized population sources, projections for four years into the future will be used.

The applicant's service area contains the following counties.

County	2016 Population	2020 Population	% of Increase/ (Decrease)
Benton	398,134	16,741	0.4%
Carroll	28,380	28,207	-0.6%
Chester	18,260	18,978	3.9%
Crockett	14,884	15,080	1.3%
Decatur	11,963	12,077	1.0%
Dyer	39,306	39,872	1.4%
Gibson	51,394	52,438	2.0%
Hardin	25,557	26,783	0.9%
Henderson	29,349	30,298	3.2%
Henry	33,439	34,055	1.8%
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Weakley	36,066	36,360	0.8%
Total	398,134	404,895	1.7%

Tennessee Population Projections 2000-2020, 2015 Revised UTCBER, Tennessee Department of Health

4. The use rate of existing home health agencies in the county will be determined by examining the latest utilization rate as calculated in the Joint Annual Report of existing home health agencies in the service area.

Based on the number of patients served by home health agencies in the service area, an estimation will be made as to how many patients could be served in the future.

The Department of Health, Division of Policy, Planning, and Assessment calculated the service area bed need surplus of (11,268) beds.

5. Documentation from referral sources:

- a. The applicant shall provide letters of intent from physicians and other referral sources pertaining to patient referral.

Alere provides letters in the application and in Supplemental 1.

- b. The applicant shall provide information indicating the types of cases physicians would refer to the proposed home health agency and the projected number of cases by service category to be provided in the initial year of operation.

The applicant projects 42 cases of Preterm Education, Nursing Surveillance, and 17P Administration; 7 cases of Nausea and Vomiting in Pregnancy; 6 cases of Diabetes in

Pregnancy; 3 cases of Hypertension in Pregnancy; and 1 case of Coagulation Disorders in Pregnancy.

c. The applicant shall provide letters from potential patients or providers in the proposed service area that state they have attempted to find appropriate home health services but have not been able to secure such services.

Alere provides letters in the application and in Supplemental 1

d. The applicant shall provide information concerning whether a proposed agency would provide services different from those services offered by existing agencies.

Alere is a national leader in the provision of comprehensive and specialized care to high-risk pregnant women and their fetuses/newborns. There is no other provider in the service area that is focus on this population. The applicant is highly accessible to TennCare patients.

6. The proposed charges shall be reasonable in comparison with those of other similar facilities in the service area or in adjoining service areas.

a. The average cost per visit by service category shall be listed.

The applicant states a comparison cannot be made based on differences between their bundled charges of \$6,843. However, the applicant compared 5 area home health agencies' charges in Supplemental 1.

b. The average cost per patient based upon the projected number of visits per patient shall be listed.

Average gross charges for the proposed 23 counties are as follows:

	Year One	Year Two
Patients	59	96
Average Gross Charge per Patient	\$6,843	\$6,843
Average Deduction per Patient	\$4,635	\$4,635
Average Net Charge per Patient	\$2,20	\$2,208
Average Net Operating Revenue Per Patient	\$839	\$579

Gross charges for all counties are as follows:

	Year One	Year Two
Patients	452	489
Average Gross Charge per Patient	\$6,843	\$6,843
Average Deduction per Patient	\$4,635	\$4,635
Average Net Charge per Patient	\$2,208	\$2,208
Average Net Operating Revenue Per Patient	\$1,089	\$1,019